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## INFORMATION REGARDING SALE OF CERTAIN LAND IN THE PHILIPPINES.

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APRIL 14, 1910.—Ordered to be printed.

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Mr. OLMS TED, from the Committee on Insular Affairs, submitted the following

### ADVERSE REPORT.

[To accompany H. Res. No. 575.]

The Committee, on Insular Affairs, to which was referred House resolution No. 575, requesting certain information of the War Department, respectfully reports that:

In response to an inquiry whether there was any objection to making public the information and documents referred to in the resolution, the Secretary of War promptly replied that there was no objection whatever to furnishing whatever the records of the department contained bearing on the matter, and that he had directed the Chief of the Bureau of Insular Affairs to give to the committee all the information in his possession. This the Chief of the Bureau of Insular Affairs did a couple of days later.

The letter of the Secretary of War, the letter of the Chief of the Bureau of Insular Affairs, and the voluminous exhibits accompanying the same are hereto annexed and made part of this report.

In view of the submission of the information, documents, and data thus furnished, and which appear to comply with the letter and spirit of the resolution, your committee recommends that the resolution itself do lie on the table.

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WAR DEPARTMENT,  
Washington, April 9, 1910.

MY DEAR MR. OLMS TED: I beg to acknowledge receipt of your letter of April 7, 1910, asking if there is any objection to furnishing to your committee the documents and data referred to in House resolution No. 575.

There is no objection whatever to furnishing whatever the records of the department contain bearing on this matter, and I have to-day directed the Chief of the Insular Bureau to give you all the information which he has in his possession.

Very truly, yours,

J. M. DICKINSON, Secretary of War.

Hon. M. E. OLMS TED,

Chairman Committee on Insular Affairs, House of Representatives.

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WAR DEPARTMENT,  
BUREAU OF INSULAR AFFAIRS,  
Washington, April 11, 1910.

MY DEAR MR. OLMSTED: Pursuant to instructions of the Secretary of War, I beg to submit the documents and data referred to in House resolution 575.

If any related information not contained in the copies of records herewith is desired by you or your committee, effort will be made to secure it.

The first call is for "copies of all correspondence, whether by letter, cable, or otherwise, between the Secretary of War, the Bureau of Insular Affairs, or other bureaus or officials of the War Department and the governor-general or other officials of the Philippine government, relative to the sale of the fifty-five thousand acre San José estate in the Island of Mindoro."

This is inclosed marked "A."

The second call is for, "a list of all sales or leases or proposed sales or leases of friar lands, other than the San José estate, in excess of sixteen hectares to an individual, or one thousand and twenty-four hectares to a corporation or association, including the alleged rental, with privilege of purchase, of the fifty thousand acre Isabela estate, and the sixteen thousand acre Tola estate."

This information, in so far as available, is contained in the annual report of the Bureau of Lands for the years 1905, 1906, 1907, 1908, and 1909. This report has been printed for all years, except 1909, as a part of the annual report of the Secretary of War, and has been made available to all persons in the United States who have expressed to the Bureau of Insular Affairs a desire for that information.

See page 136 et seq., part 2, Report of the Philippine Commission, 1906.

See page 184 et seq., part 2, Report of the Philippine Commission, 1907.

See page 225 et seq., part 2, Report of the Philippine Commission, 1908.

See page 1229 et seq., typewritten appendix to Report of the Philippine Commission, 1909.

While giving fully all details of the handling of these estates, it will be observed that these reports do not give a list of sales or leases to individuals in excess of 16 hectares. It is believed that there have been no sales to corporations or associations in excess of 1,024 hectares.

I inclose, marked "B," the correspondence with reference to the alleged rental, with privilege of purchase, of the 50,000-acre Isabela estate.

By the "Tola" estate is doubtless meant the "Tala" estate in the province of Rizal. Attention is invited to the remarks with reference to this estate in the several reports above referred to. The last report of the bureau of lands shows the area of this estate to be 6,696 hectares, of which 80 per cent is estimated as occupied, and 866 lots have been leased, which constitute 77 per cent, or 5,157.15 hectares.

The third call is for "a transcript of all railway franchises granted in the Philippine Islands since the passage and approval of the Philippine government act of July first, nineteen hundred and two."

These are published in the acts of the Philippine legislature, which have been reported annually to Congress and printed in the annual report of the Secretary of War. They are specifically as indicated on the inclosed list, marked "C."

The next call is for "the names of the friar estates contiguous to or to be traversed by each of said railways."

This is set forth in full in the report of the bureau of lands of the Philippine Islands for the year 1907. (See p. 192, vol. 2, Report of the Philippine Commission, 1907.)

The next call is for "mileage of said railways completed under each of said franchises."

This has been reported annually in the Report of the Philippine Commission. I am inclosing herewith an excerpt, marked "D," from the last report of the supervising railway expert, showing this up to the date of that report.

The next call is for "amount of bonds on each, interest on which is guaranteed by the Philippine government."

The amount of bonds issued by the Philippine Railway Company, the interest on which is guaranteed by the Philippine government, is \$6,184,000. For no other roads have any bonds been issued, the interest on which is guaranteed by the Philippine government.

The details of construction and operation of these roads are reported annually by the supervising railway expert.

The next request is for "the names and locations of all contracting individuals, firms, or companies which have been awarded contracts through the War Department or the insular government of the Philippine Islands for the construction of insular or municipal improvement in the Philippine Islands since the passage of the Philippine government act of July first, nineteen hundred and two, together with copies of all such contracts."

United States, Congress, House, Committee on Insular.

## INSULAR IMPROVEMENTS.

The contracts for the construction of insular improvements in the Philippine Islands are invariably awarded by the Philippine government. The Bureau of Insular Affairs is only advised on awarding contracts of the names of the contractors in the most important cases, such, for example, as contracts which are advertised in the United States as well as in the Philippine Islands. In the general case these matters are reported with great detail in the annual report of the Bureau of Public Works of the Philippine Islands, under which bureau such work is carried on. It will be seen that the names of the contractors are in general given in these annual reports.

## MUNICIPAL IMPROVEMENTS.

These contracts are let by the municipalities, of which there are 685 in the Philippine Islands, and the contractor's name would in general only reach the Bureau of Insular Affairs in the printed annual reports of the Bureau of Public Works where such work was done under the supervision of that bureau. In the case of the large improvements, such as the water and sewer system in the city of Manila, the work was advertised in the United States as well as in the Philippine Islands, and the contracts were awarded as follows:

*For the water system.*

Matson, Lord & Belser Company (construction of dam).....	\$241, 510. 25
Henry W. Peabody & Co. (steel plates).....	99, 900. 31
Atlantic, Gulf and Pacific Company (steel pipe).....	281, 935. 00
Atlantic, Gulf and Pacific Company (tunnel).....	179, 987. 50
Matson, Lord & Belser Company (reservoir).....	222, 477. 70
 Total.....	 1, 025, 810. 76

*For the sewer system.*

Atlantic, Gulf and Pacific Company.....	\$1, 631, 053. 20
-----------------------------------------	-------------------

See pages 155 and 156, part 3, Report of the Philippine Commission, 1906.

The contracts awarded in the city of Manila are usually listed in the annual report of the municipal board of the city of Manila. A reference to the annual reports of the Philippine Commission will furnish the information called for under this head in considerable detail.

See Report of the Bureau of Engineering, page 143 et seq., part 3, Report of the Philippine Commission, 1905.

See Report of the Bureau of Port Works, page 343 et seq., part 3, Report of the Philippine Commission, 1905.

See page 336 et seq., Report of the Director of Public Works, part 2, Report of the Philippine Commission, 1906.

See pages 374 and 375, Report of the Director of Public Works, part 2, Report of the Philippine Commission, 1907.

See page 449 et seq., Report of the Director of Public Works, part 2, Report of the Philippine Commission, 1908.

See page 1552, typewritten copy of the Report of the Director of Public Works, appendix to Report of the Philippine Commission, 1909 (filed in the Bureau of Insular Affairs).

Copies of these contracts have never been called for in the United States and are not in the War Department.

I attach hereto, marked "E," copies of the Philippine laws relating to government contracts.

The next call is for "the number of occupants, settlers, tenants, and lessees upon the friar lands April twenty-sixth, nineteen hundred and four, the date of the passage of the Philippine friar-land act by the Philippine Commission, and the number thereon at the end of the fiscal years nineteen hundred and five, nineteen hundred and six, nineteen hundred and seven, nineteen hundred and eight, and nineteen hundred and nine."

The number of lessees and purchasers of holdings on the friar lands is reported annually in the reports of the bureau of lands, which have been heretofore referred to.

The number of occupants have been reported as something over 60,000.

The next call is for "the name of the attorney of the investor mentioned in the letter of the Chief of the Bureau of Insular Affairs to the chairman of the Committee on

Insular Affairs, House of Representatives, of date March twenty-fourth, nineteen hundred and ten; whether the opinion of said attorney that the sale of the San José estate is valid, is in writing, and, if so, a copy of the same."

The name of the attorney of the investor mentioned is Mr. C. A. de Gersdorff. The opinion referred to was the verbal opinion given to the assistant chief of the Bureau of Insular Affairs of the War Department. Whether the attorney has furnished a written opinion to his clients is not known, but as the sale of the estate was contingent upon his giving an opinion that the title to be transferred was valid, it is assumed that there is such an opinion in writing, but it is not in the records of the War Department, nor has it been seen by anybody connected with the department so far as known.

The next call is for "the name of the attorney of the purchaser mentioned in the letter, of the Chief of the Bureau of Insular Affairs to the chairman of the Committee on Insular Affairs, House of Representatives, of date January twenty-eighth, nineteen hundred and ten; whether said attorney submitted in writing his question as to the right of the Philippine government to sell the San José friar estate, and, if so, a copy of the same."

The name of the attorney is as above stated. He did not submit his question in writing, but did submit a memorandum, a copy of which is attached hereto, marked "F."

The next call is for "copies of all acts of the Philippine Commission since July first, nineteen hundred and two, and of the Philippine assembly, granting insular or municipal public-utility privileges."

These are reported annually to Congress, and are in the printed acts of the Philippine Commission, which have been supplied gratis to all persons requesting the same in the United States, except possibly from time to time when the supply of the particular act requested may have been exhausted.

A list of the acts granting insular or municipal public-utility franchises, by number and brief titles, is appended, marked "G;" copies of these acts are also inclosed herewith, attached to said list. The acts complete may be found in the printed volumes of the reports of the Philippine Commission, which are published annually in the report of the War Department.

The next call is for "all other information concerning the foregoing matters and not herein specifically called for."

This is believed to be supplied by the annual reports of the Philippine Commission, the annual report of the Bureau of Insular Affairs, and the annual report of the War Department, but any special information which you or your committee desire will be furnished.

The next call is for "the full report of the Philippine Commission for the fiscal year nineteen hundred and nine, as published in the Philippine Islands."

The full report of the Philippine Commission for 1909 is published in the United States as one volume of the annual report of the Secretary of War, copy herewith. This report is not published at all in the Philippine Islands. There has been heretofore published as a part of the report of the Philippine Commission (included in the annual report of the Secretary of War) a number of appendices, including the reports of the various chiefs of bureaus of the Philippine government. It was decided not to have these published as a War Department document this year for reasons set forth in a letter to the governor-general of the Philippine Islands, dated May 18, 1909, a copy of which and the reply thereto I inclose, marked "H."

The appendices to this report, however, have been received in the War Department, and are on file in the Bureau of Insular Affairs, and will be gladly supplied to the committee. It has been the custom to print these in pamphlet form in Manila, and I transmit such reports as have been received for the fiscal year 1909.

While it is believed that the accompanying papers with the foregoing references will satisfy as to all of the inquiries made in the resolution, yet I shall be glad to have any further inquiries answered, or to direct an officer of the Bureau of Insular Affairs to personally assist you or the committee in obtaining any further information desired.

Very respectfully,

C. R. EDWARDS,  
Brigadier-General, U. S. Army, Chief of Bureau.

Hon. M. E. OLMIESTED,

Chairman Committee on Insular Affairs,  
House of Representatives.

## A.

[Translation of cablegram received.]

OCTOBER 22, 1909.

SECRETARY OF WAR, *Washington*:

Prentiss and Poole <sup>a</sup> desire to purchase unoccupied sugar lands on San Jose friar estate, Mindoro; say Hammond <sup>b</sup> was informed by the Bureau of Insular Affairs an individual can not purchase more than 40 acres friar lands. Can not understand this, as acts 1847 and 1933 were passed amending friar-land act to give government right to sell vacant friar lands without restriction as to area. Attorney-general <sup>c</sup> concurs in the opinion that this has been accomplished. Please confirm by telegraph to satisfy these gentlemen.

FORBES.

[Translation of cablegram sent.]

OCTOBER 22, 1909.

FORBES, *Manila*:

Thoroughly understood here unoccupied friar lands may be sold to individuals without limitation as to area. Will advise Hammond. <sup>b</sup> Wrote you September 27, requesting detailed description of such estates as are to be sold as unoccupied land. When Hammond called it was not understood efforts were being made to sell these estates.

EDWARDS.

[Translation of cablegram sent.]

NOVEMBER 23, 1909.

FORBES, *Manila*:

Am just advised that you are negotiating for the sale of Mindoro estate. The Secretary of War desires full information by cable in this matter, and desires that you do not consummate the sale until he has considered the question.

When may we expect opinion of the attorney-general referred to in your telegram October 22? Attorneys of purchasers desire opinion of the Attorney-General of the

<sup>a</sup> There is no prior record in the Bureau of Insular Affairs of Prentiss and Poole.

<sup>b</sup> The Mr. Hammond referred to in this cablegram had called at the Bureau of Insular Affairs on September 3, 1909. Major McIntyre was in charge of the office on that date and went over very generally with Mr. Hammond the land laws of the Philippine Islands. The question of the amount of land which an agricultural corporation could hold in the Philippine Islands, the amount of land of the public domain which a corporation or individual might purchase, and related matters were discussed. Major McIntyre thinks that Mr. Hammond did not bring up the question of the purchase of any special piece of property in the Philippine Islands, nor is he positive that he mentioned the purchase of land on the friar estates, though from the cable from Manila he believes that Mr. Hammond must have done so.

However, after going over the subject Major McIntyre gained the impression that Mr. Hammond's clients desired to form a corporation to carry on agriculture in the Philippine Islands and to obtain land holdings from the Philippine government. After discussing the legal aspect of the question, Mr. Hammond said that in view of the relation of his firm, Strong and Cadwallader, to the administration, he thought that he would advise his clients, who had been referred to him by another lawyer, whose name he gave (Major McIntyre thinks it was Judge Johnson, from Philadelphia or Pittsburgh), to obtain the service of some other attorney. Major McIntyre promised to send to Mr. Hammond certain opinions relating to the holding of lands in the Philippine Islands, which he did. This was acknowledged, and there was no further correspondence or conversation with Mr. Hammond relating to this matter until the receipt of the cablegram from Governor Forbes, of October 22, which is quoted above.

In accordance with the statement in the answer, Major McIntyre wrote a letter to Mr. Hammond (copy attached marked "A"), and received a reply (copy attached marked "B"). This concluded the matter in so far as the Bureau was concerned. Mr. Hammond did not give the names of his clients, nor was inquiry made of him as to this matter. It is assumed, however, that they were the clients subsequently represented by Mr. de Gerrsdorf.

<sup>c</sup> Attorney-General of the Philippine Islands.

United States as to whether section 15, act of Congress approved July 1, 1902, is made applicable, by section 65 thereof, to the friar lands. If opinion of the attorney-general of the Philippine Islands has not been mailed, cable synopsis thereof.

EDWARDS.

[Translation of cablegram received.]

NOVEMBER 29, 1909.

SECRETARY OF WAR, Washington:

Referring to telegram from your office of 23d instant, present state negotiations for the sale of San Jose friar estate is as follows: Mr. E. L. Poole has signed certificate in which director of lands, acting for the Philippine government under the provisions of section 9, act No. 1120, as amended by act No. 1847 and act No. 1933, has certified that the government of the Philippine Islands has agreed to sell to E. L. Poole, or his nominees, San Jose friar estate for 734,000 pesos, Philippine currency, which will be value of said land on January 4, 1910, fixed in accordance with the provisions of section 12, act No. 1120. Purchaser is to pay 42,875 pesos on January 4, 1910, when this sale becomes effective. Balance is to be paid in nineteen equal annual installments. I consider this is an excellent sale, as 32 pesos per hectare high. Full report will be forwarded by mail by Dean C. Worcester. Sale, however, contingent upon approval of title by Poole's attorney.

FORBES.

[Translation of cablegram sent.]

DECEMBER 4, 1909.

FORBES, Manila:

Referring to telegram from your office of 29th ultimo, the Secretary of War approves sale of San Jose estate. At the request of attorneys for purchasers, the question referred to in my telegram of November 23 will be submitted at once to Attorney-General for an opinion.

EDWARDS.

THE GOVERNMENT OF THE PHILIPPINE ISLANDS,  
DEPARTMENT OF THE INTERIOR,  
Manila, October 21, 1909.

The CHIEF OF THE BUREAU OF INSULAR AFFAIRS,  
Washington, D. C.

MY DEAR GENERAL EDWARDS: Two gentlemen who are contemplating the purchase of considerable tracts of the San Jose friar estate called at my office the other day and in the course of the interview which followed stated that they had been informed in Washington, at the Bureau of Insular Affairs, that the sale of friar lands was subject to the same limitations as that of public land.

It is true that this was the case in the friar-land act (No. 1120) as originally passed, but act No. 1147 was passed for the express purpose of doing away with the numerous difficulties which arose in consequence.

We should, of course, have gotten into endless trouble with tenants desiring to purchase if the amount of land we could sell to any one of them was limited to 40 acres, while if we are ever to dispose of the San Jose and Isabela estates, both of which are practically without tenants and are situated in remote and comparatively inaccessible regions, it will be necessary to sell the land in tracts of considerable size.

You will, I think, note that act No. 1120, as amended by act No. 1847, leaves the director of lands entirely free to offer unoccupied friar lands for sale in such tracts as may seem to him wise. I am hoping very much that we shall be able to sell some of this land to the gentlemen in question and that they will start a good up-to-date sugar plantation.

If we can only unload these two large estates, the friar-land problem will, according to present indications, be solved quite readily.

Sincerely yours,

DEAN C. WORCESTER,  
Secretary of the Interior.

Received in Bureau of Insular Affairs December 13, 1909.

SALE OF CERTAIN LAND IN THE PHILIPPINES.

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[Translation of cablegram sent.]

DECEMBER 22, 1909.

FORBES, Manila:

The Attorney-General of the United States is of the opinion that limitations in section 15, act of Congress approved July 1, 1902, do not apply to the estates purchased from religious orders. Attorneys of purchasers so notified to-day. Copy of opinion by mail.

McINTYRE.

[Translation of cablegram sent.]

JANUARY 12, 1910.

FORBES, Manila:

Has sale of Mindoro estate been consummated?

McINTYRE.

[Translation of cablegram received.]

JANUARY 13, 1910.

SECRETARY OF WAR, Washington:

Sale Mindoro estate consummated January 4. First payment, \$83,500, has been received.

FORBES.

WAR DEPARTMENT,  
BUREAU OF INSULAR AFFAIRS,  
Washington, October 22, 1909.

MY DEAR MR. HAMMOND: When you were in the office about the 3d of September, among other things with reference to the land laws of the Philippines discussed was the application of these laws to the friar estates. Very little attention was paid to this feature of the case, as I explained to you that I was under the impression that no effort was being made to sell any of the friar estates in large blocks, and specifically that I did not understand that the Philippine government was making any effort to sell the San Jose estate of about 56,000 acres on the Island of Mindoro. You will recall that you had received advice from Manila, or that your clients had received advice, that this estate was in the market. In any case, I am satisfied that I gave you the impression that the limitations of the act of Congress relating to the public lands had been extended to the friar estates.

I now desire to correct both of these impressions. A cable received from Manila to-day indicates that it is desired to sell the San Jose estate, and I inclose two acts of the Philippine legislature amending "the friar lands act," which make it clear that the unoccupied lands on the friar estates may be sold to individuals without any limitation as to area. I do not know that you are still interested in this matter in any way, but I do not desire that you should be under any misapprehension as to the matter, due to our conversation.

Sincerely yours,

FRANK McINTYRE,  
Major, Eighth Infantry, Assistant to Chief of Bureau.

JOHN HENRY HAMMOND, Esq.,

Care STRONG & CADWALADER,

40 Wall Street, New York, N. Y.

(Includes acts Nos. 1847 and 1933 of the Philippine Commission.)

40 WALL STREET,  
New York, October 28, 1909.

MY DEAR MAJOR MCINTYRE: I beg to acknowledge receipt of your very kind letter of yesterday inclosing copies of acts Nos. 1847 and 1933 of the Philippine Commission relating to the sale of the friars' lands.

After careful consideration and in view of the fact that it may be necessary for my former clients to request some discretionary action on the part of the government officials, I decided that they had better be represented by other counsel; accordingly the firm of Cravath, Henderson & de Gersdorff has taken up the matter. I have sent your letter and the inclosures to Mr. Leffingwell of that firm.

Thanking you for your courtesy in the matter, I remain, sincerely, yours,

JOHN HENRY HAMMOND.

Maj. FRANK McINTYRE,

War Department, Bureau of Insular Affairs, Washington, D. C.

## B.

[Extract of cablegram received January 17, 1910, from Manila, P. I.]

SECRETARY OF WAR, Washington.

Negotiations practically completed leasing W. H. Lawrence portion Isabela friar estate not now occupied and leased or sold to occupants 19,461 hectares for the year commencing December 1, 1909, rent, \$100. Under agreement lessee at his own expense cause immediate examination premises competent soil agricultural expert for the purpose of determining quality soil and such other circumstances considerations affecting value of the property rendering true report examination investigation; failing to purchase end of the year complete report becomes property of the Philippine government. Price, January 1, 1910, \$211,350. Signing lease after publication Bandillos published gives lessee prior right to purchase, estate practically unoccupied 110 miles nearest practicable port; lease, prospect sale, deemed advisable.

FORBES.

## C.

*List of railway franchises granted by the Philippine legislature since the approval of the Philippine government act of July 1, 1902.*

TO THE MANILA RAILROAD COMPANY.

554. An act conferring a franchise upon the Manila Railway Company (Limited) to construct and operate a railroad from Guiguinto, on the present line of the Manila and Dagupan Railroad, to Cabanatuan, in the province of Nueva Ecija, an estimated distance of seventy-one kilometers.

555. An act to authorize the construction by the Manila Railway Company (Limited) owning and operating the Manila and Dagupan Railway, of two branches, one connecting Mabalacat with the main line and one connecting Bayambang with the main line.

703. An act conferring a franchise upon the Manila Railway Company (Limited) to construct, maintain, and operate a railroad from a point on the present Manila and Dagupan Railroad, one and five-hundred-thousandths kilometers from what is known at the present time as the terminus of said railroad in the city of Manila, to Antipolo, in the province of Rizal, an estimated distance of thirty-two kilometers, and to construct, maintain, and operate a spur or branch of said railroad from its crossing of the river San Juan to a point on the river Pasig opposite the municipality of San Pedro Macati, in the province of Rizal, an estimated distance of three kilometers.

704. An act amending act numbered five hundred and fifty-four conferring a franchise upon the Manila Railway Company (Limited) to construct a branch railroad from Guiguinto to Cabanatuan, by requiring the company to pay one and one-half per cent of its gross earnings to the insular government.

705. An act amending act numbered five hundred and fifty-five conferring a franchise upon the Manila Railway Company (Limited) to construct two branch roads, one connecting Mabalacat with the main line and one connecting Bayambang with the main line, by requiring the company to pay one and one-half per cent of its gross earnings to the insular government.

879. An act amending act numbered five hundred and fifty-five as amended, conferring a franchise upon the Manila Railway Company (Limited) to construct two branch roads, one connecting Mabalacat with the main line and one connecting Bayambang with the main line, by requiring the company to file each month with the insular auditor a sworn statement of its gross earnings.

1452. An act to amend act numbered seven hundred and three by granting to the Manila Railway Company (Limited) a revocable license to construct, maintain, and operate a ferry from the Fort William McKinley station on the north bank to a point immediately opposite on the south bank of the Pasig River.

1453. An act to amend section two of act numbered five hundred and fifty-four, so as to grant to the Manila Railway Company (Limited) the right to construct, maintain, and operate a freight spur six hundred and twenty meters in length from a point eighty-three thousand six hundred lineal meters from the initial point at Bigaa of the Bigaa and Cabanatuan Railroad to a point on the east bank of the Pampanga River in the village of Santa Rosa, Nueva Ecija, and the right to construct, maintain,

and operate a cableway four hundred meters in length from said point on the east bank of the Pampanga River to a point immediately opposite on the west bank of said river.

1510. An act granting to the Manila Railroad Company a concession for railway lines in the island of Luzon, and providing in respect of proceedings for condemnation of land by public service corporations.

1514. An act to amend subdivision (d) of section one of act numbered fifteen hundred and ten, so as to authorize a change of the railroad therein prescribed, and authorizing and providing for the construction of mileage equivalent to that of the route abandoned, and for other purposes.

1812. An act providing for the filing with the division of archives, patents, copy-rights, and trade-marks of the executive bureau of the contracts of mortgage executed by the Manila Railroad Company as security for the issuance of bonds and other obligations, creating and fixing upon the property covered by said instruments a lien at and from the time of filing the same, and exempting said instruments from the payment of stamp taxes, and for other purposes.

1905. An act granting the Manila Railroad Company certain additional concessions for railroad lines in the island of Luzon and guaranteeing interest on the first mortgage bonds of said lines and of certain lines already authorized by act numbered fifteen hundred and ten, and for other purposes.

#### TO THE MANILA ELECTRIC RAILROAD AND LIGHT COMPANY.

484. An act providing for the granting of a franchise to construct an electric street railway on the streets of Manila and its suburbs and a franchise to construct, maintain, and operate an electric light, heat, and power system in the city of Manila and its suburbs, after competitive bidding.

44. An ordinance granting to Charles M. Swift a franchise to construct an electric street railway on the streets of Manila and its suburbs, and a franchise to construct, maintain, and operate an electric light, heat, and power system in the city of Manila and its suburbs.

70. An ordinance amending ordinance numbered forty-four of the municipal board, enacted March twenty-fourth, nineteen hundred and four, entitled "An ordinance granting to Charles M. Swift a franchise to construct an electric street railway on the streets of Manila and its suburbs, and a franchise to construct, maintain, and operate an electric light, heat, and power system in the city of Manila and its suburbs.

71. An ordinance approving of certain changes in the lines of the Manila Electric Railroad and Light Company.

1325. An act providing for the amendment of paragraph seven of part two of ordinance numbered forty-four of the city of Manila, enacted in pursuance of act numbered four hundred and eighty-four of the Philippine Commission, so as to extend the time within which the conditions mentioned therein shall be complied with.

1348. An act conferring upon the Manila Electric Railroad and Light Company a franchise for an extension of its lines, and granting it the right to expropriate land necessary for the purposes of the company.

1447. An act granting permission to the Manila Electric Railroad and Light Company to construct certain tracks and overhead work in the city of Manila and use the same, and to carry freight and parcels over its lines.

1112. An act authorizing the assignment, sale, and transfer to the Manila Electric Railroad and Light Company of all the assets of The Compañía de los Tranvías de Filipinas providing for the surrender by the Manila Electric Railroad and Light Company of the franchises, and amendments thereto, of the said Compañía de los Tranvías de Filipinas, and for certain amendments to ordinance numbered forty-four of the municipal board of Manila, enacted in pursuance of act numbered four hundred and eighty-four of the Philippine Commission, and for the opening of certain new streets by the municipal board of Manila, and for a franchise to the Manila Electric Railroad and Light Company to construct, maintain, and operate an electric street railway and an electric light, heat, and power system from the limits of the city of Manila to Malabon.

#### THE MANILA SUBURBAN RAILWAYS COMPANY.

1446. An act granting a franchise to Charles M. Swift to construct, maintain, and operate an electric railway, and to construct, maintain, and operate an electric light, heat, and power system from a point in the city of Manila in an easterly direction to the town of Pasig, in the province of Rizal.

1589. An act granting the Manila Suburban Railways Company an extension of time within which to complete that portion of its line eastward of Fort William McKinley; granting the right to build a branch line eastward of the barrio of San Pedro Macati, in a southerly direction to the town of Taguig and to the Laguna de Bay, and granting the right to transport freight, express packages, baggage, and the mails over its lines, under reasonable regulations, and to make reasonable charges for the same.

1762. An act fixing the maximum rates which may be charged by the Manila Suburban Railways Company.

1448. An act granting a franchise to Walter E. Olsen (Tarlac Railway Company) to construct, maintain, and operate by steam power a tramway from the town of Panique, situate on the line of the Manila and Dagupan Railroad, province of Tarlac, to the town of Camiling, in the same province, approximately a distance of ten miles.

TO THE DAET TRAMWAY COMPANY.

1111. An act granting a franchise to Charles W. Carson to construct, maintain, and operate by animal power a tramway within the limits of the municipality of Daet, in the province of Ambos Camarines, from the wharfs of the barrio of Mercedes, in said municipality, to the town proper, or poblacion of Daet, and through the said town of Daet to a point on the public highway one mile distant from the municipal building of said municipality of Daet in the direction of the town of Talisay.

1435. An act amending act numbered eleven hundred and eleven, entitled "An act granting a franchise to Charles W. Carson to construct, maintain, and operate by animal power a tramway within the limits of the municipality of Daet, in the province of Ambos Camarines, from the wharves of the barrio of Mercedes, in said municipality to the town proper, or poblacion of Daet, and through the said town of Daet to a point on the public highway one mile distant from the municipal building of said municipality of Daet in the direction of the town of Talisay."

TO THE PHILIPPINE RAILWAY CO.

1497. An act granting to the Philippine Railway Company a concession to construct railways in the islands of Panay, Negros, and Cebu, and guaranteeing interest on the first-mortgage bonds thereof, under authority of the act of Congress approved February sixth, nineteen hundred and five.

1889. An act amending subsection one of paragraph three of section one of act numbered fourteen hundred and ninety-seven, changing the termini of the line of the Philippine Railway Company in the island of Negros.

TO THE LEFANTO MINING CO., INC.

1700. An act to grant to the Lepanto Mining Company (Incorporated) a franchise to construct a highway from a point near Comillas, province of Lepanto-Bontoc, in a general westerly direction to the China Sea at a point near the town of Bangar, province of La Union; and thereon to take toll, to operate as a common carrier, and, at its option, to construct a railroad.

TO THE INSULAR COAL COMPANY, INC.

1835. An act to grant to the Insular Coal Company (Incorporated) a franchise to construct, maintain, and operate a railway line from the shore line at the port of Danao to the coal district of Camansi, province of Cebu.

16. Joint resolution approving, ratifying, and confirming the acceptance by the Insular Coal Company of the franchise granted in act numbered eighteen hundred and thirty-five, and the action of the acting secretary of commerce and police in receiving and considering said acceptance as a compliance with the law.

## D.

In the following table is shown kilometerage of railroad lines authorized by law in the Philippine Islands, with the length constructed, to be constructed, and in operation on June 30, 1909:

Road.	Author- ized.	Constructed.		To be con- structed.
		In oper- ation.	Not in operation.	
Manila Railroad Co.	1,355.0	a 545.8	9.1	800.1
Manila Electric Railroad and Light Co.	45.0	39.8	.....	5.2
Manila Suburban Railways Co.	19.9	9.9	.....	10.0
Tarlac Railway Co.	20.6	20.6	.....	.....
Daet Tramway Co.	7.2	7.2	.....	.....
Philippine Railway Co.	b 368.6	159.4	5.0	204.2
Lepanto Mining Co.	42.0	.....	.....	42.0
Insular Coal Co.	12.0	12.0	.....	.....
Total.....	1,870.3	794.7	14.1	1,061.5

<sup>a</sup> Includes Belt Line, Manila, not included last year.

<sup>b</sup> Excludes north Negros Line and Carcar-Barili-Dumanjug Branch.

## E.

[Extract from compilation of acts of Philippine Commission, printed at Manila, 1908.]

SEC. 1295. No contract for the construction or repair of public works shall be entered into until the same has been authorized and an appropriation of a sum sufficient to meet the estimated expense of the same has been made by the commission, except in case of continuous contract for the prosecution of authorized work for which appropriations are made from time to time by the commission as the necessities of the work require.

SEC. 1296. All public works of construction or repair involving a cost greater than four thousand pesos shall be let to the lowest responsible bidder, after at least ten days' notice of the letting by advertisement in two newspapers, one of which newspapers shall be printed in the English language and one in Spanish, of general circulation in the province or city where the work is to be done, or, if there be no Spanish or English newspaper of general circulation in the province or city where the work is to be done, then it shall be a sufficient compliance with this section if the notice of such letting be posted for ten days previous to the letting, on the door of the provincial building or buildings of the province or provinces where the work is to be done, and be published in a daily English newspaper and a daily newspaper printed in the Spanish language in the city of Manila having a general circulation. The director of public works is authorized to reject any or all bids and to waive defects, and if, in his opinion, the bids are excessive, he may, with the approval of the secretary of commerce and police, purchase material and hire labor and supervise the authorized work. All material and supplies shall be purchased through the purchasing agent, except in cases of emergency when life or property is in danger, or when the location of the work is remote from Manila, in which cases supplies and material may be purchased in the open markets, subject to the approval of the secretary of commerce and police.

The secretary of commerce and police, whenever in his discretion it is deemed advantageous to the interests of the government, shall direct the advertisement for contracts in at least two papers having general circulation in the United States.

SEC. 585. Every contract under which a payment may be made shall be submitted to the auditor with the account to which such payment pertains. In the case of deeds to property purchased by the government, the auditor shall require an official certificate by the court of land registration or other evidence satisfactory to the governor general that the title is in the government.

SEC. 589. When suit is brought in any case of delinquency of an officer or agent accountable or responsible for public funds or property, a transcript from the books and proceedings of the auditor of the bureau or office concerned, or both, certified by the auditor under his seal, shall be admitted as evidence and judicial notice shall be taken thereof, and the court trying the case shall be authorized to grant judgment and

award execution accordingly. All copies of bonds, contracts, or other papers relating to or connected with the settlement of any account between the government and an individual, when certified by the auditor under his seal to be true copies of the originals on file in his office or that of the bureau or office concerned, or both, may be annexed to such transcripts, and shall have equal validity and be entitled to the same degree of credit which would be due to the original papers if produced and authenticated in court: *Provided*, That where suit is brought upon a bond or other instrument and the answer of the defendant denies the execution of the same, and the defendant makes his motion to the court for the production of the same, verifying such answer and motion by his oath, the court may take the same into consideration and, if it appears to be necessary for the attainment of justice, may require the production of the original bond, contract, or other papers specified on such affidavit.

## F.

The act of Congress, of July 1, 1902, provided as follows:

“That all the property and rights which may have been acquired in the Philippine Islands by the United States under the treaty of peace with Spain, signed December tenth, eighteen hundred and ninety-eight, except such land or other property as shall be designated by the President of the United States for military and other reservations of the Government of the United States, are hereby placed under the control of the government of said islands to be administered for the benefit of the inhabitants thereof, except as provided in this act.”

Section 15 provides, in part, as follows:

“That the government of the Philippine Islands is hereby authorized and empowered, on such terms as it may prescribe, by general legislation, to provide for the granting or sale and conveyance to actual occupants and settlers and other citizens of said islands such parts and portions of the *public domain*, other than timber and mineral lands, of the United States in said islands as it may deem wise, *not exceeding sixteen hectares to any one person* and for the sale and conveyance of not more than one thousand and twenty-four hectares to any corporation or association of persons.”

Section 16 provides as follows:

“That in granting or selling any part of the public domain under the provisions of the last preceding section, preference in all cases shall be given to actual occupants and settlers; and such public lands of the United States in the actual possession or occupancy of any native of the Philippine Islands shall not be sold by said government to any other person without the consent thereto of said prior occupant or settler first had and obtained: *Provided*, That the prior right hereby secured to an occupant of land, who can show no other proof of title than possession, shall not apply to more than sixteen hectares in any one tract.”

Sections 63, 64, and 65, conferring authority upon the Philippine Islands government to purchase lands of religious orders and others, and issue bonds for the purchase price, provide as follows:

“SEC. 63. That the *government of the Philippine Islands* is hereby authorized, subject to the limitations and conditions prescribed in this act, to acquire, receive, hold, maintain, and convey title to real and personal property, and may acquire real estate for public uses by the exercise of the right of eminent domain.

“SEC. 64. That the powers hereinbefore conferred in section sixty-three may also be exercised in respect of any lands, easements, appurtenances, and hereditaments which, on the thirteenth of August, eighteen hundred and ninety-eight, were owned or held by associations, corporations, communities, religious orders, or private individuals in such large tracts or parcels and in such manner as in the opinion of the commission injuriously to affect the peace and welfare of the people of the Philippine Islands. And for the purpose of providing funds to acquire the lands mentioned in this section said government of the Philippine Islands is hereby empowered to incur indebtedness, to borrow money, and to issue, and to sell at not less than par value, in gold coin of the United States of the present standard value or the equivalent in value in money of said Islands, upon such terms and conditions as it may deem best, registered or coupon bonds of said government for such amount as may be necessary, said bonds to be in denomination of fifty dollars or any multiple thereof, bearing interest at a rate not exceeding four and a half per centum per annum, payable quarterly, and to be payable at the pleasure of said government after dates named in said bonds not less than five nor more than thirty years from the date of their issue, together with interest thereon, in gold coin of the United States of the present standard value or the equivalent

lent in value in money of said Islands; and said bonds shall be exempt from the payment of all taxes or duties of said government, or any local authority therein, or of the Government of the United States, as well as from taxation in any form by or under State, municipal, or local authority in the United States or the Philippine Islands. The moneys which may be realized or received from the issue and sale of said bonds shall be applied by the government of the Philippine Islands to the acquisition of the property authorized by this section, and to no other purposes."

"SEC. 65. That all lands acquired by virtue of the preceding section *shall constitute a part and portion of the public property of the government of the Philippine Islands, and may be held, sold, and conveyed, or leased temporarily for a period not exceeding three years after their acquisition by said government on such terms and conditions as it may prescribe, subject to the limitations and conditions provided for in this act: Provided*, That all deferred payments and the interest thereon shall be payable in the money prescribed for the payment of principal and interest of the bonds authorized to be issued in payment of said lands by the preceding section, and said deferred payments shall bear interest at the rate borne by the bonds. All moneys realized or received from sales or other disposition of said lands or by reason thereof shall constitute a trust fund for the payment of principal and interest of said bonds, and also constitute a sinking fund for the payment of said bonds at their maturity. Actual settlers and occupants at the time said lands are acquired by the government shall have the preference over all others to lease, purchase, or acquire their holdings within such reasonable time as may be determined by said government."

Section 75 of the same act prohibits any corporation from holding real estate except such as may be reasonably necessary to enable it to carry out the purposes for which it was created, and limits the amount of real estate which can be held by an agricultural corporation to one thousand and twenty-four (1,024) hectares.

Act No. 1120 of the Philippine Commission providing for the administration and temporary leasing and sale of the friar lands, contains the following recital:

"Whereas the said lands are not 'public lands' in the sense in which those words are used in the public land act, numbered nine hundred and twenty-six, and cannot be acquired or leased under the provisions thereof, and it is necessary to provide proper agencies for carrying out the terms of said contracts of purchase and the requirements of said act of Congress with reference to the leasing and selling of said lands and the creation of a sinking fund to secure the payment of the bonds so issued."

Section 9 of said act, as originally enacted, was as follows:

"SEC. 9. In the event the chief of the bureau of public lands should find any of the said lands vacant, he is directed to take possession and charge thereof, and he may either lease such unoccupied lands for a term not exceeding three years or offer the same for sale, as in his judgment may seem for the best interests of the government, *and in making such sales he shall proceed as provided in chapter two of the public land act.*"

Chapter two of the public land act, section 10, provided as follows:

"SEC. 10. Any citizen of the Philippine Islands, or of the United States or of any insular possession thereof, or any corporation or like association of persons organized under the laws of the Philippine Islands or of the United States or any State, Territory, or insular possession thereof, and authorized to transact business in the Philippine Islands, may purchase any tract of unoccupied, unappropriated, and unreserved nonmineral agricultural public land in the Philippine Islands, as defined in the act of Congress of July first, nineteen hundred and two, *not to exceed sixteen hectares for an individual or one thousand and twenty-four hectares for a corporation or like association, by proceeding as hereinafter provided in this chapter: Provided*, That no association of persons not organized as above and no mere partnership shall be entitled to purchase a greater quantity than will equal sixteen hectares for each member thereof."

Section 9, as amended by acts numbers 1847 and 1933, of the first Philippine legislation, reads, in part, as follows:

"SEC. 9. In the event the director of lands should find any of the said lands vacant, he is directed to take possession thereof, and he may either lease such unoccupied lands for a term not exceeding three years or *sell same*, as may be solicited, and in making such leases or such sales *he shall proceed as provided in section eleven of this act.*"

Section 11 of this act, as amended by act No. 1847, *provides complete and independent machinery* for the sale and disposition of the friar lands.

The governor general has advised the Bureau of Insular Affairs of the War Department, by cable dated October 22, 1909, as follows:

"Acts eighteen hundred and forty-seven and nineteen hundred and thirty-three were passed amending friar land act to give government right to sell vacant friar lands *without restriction as to area*. Attorney general concurs in the opinion that this has been accomplished."

A ruling is desired from the Department of Justice as to whether section 15 of the act of Congress of July 1, 1902, and the restrictions therein contained as to the amount of public land which may be held by an individual apply to friar lands so as to render ineffective the acts of the Philippine legislature above referred to.

November 23, 1909.

G. J.

*A list of public-utility franchises granted by the Philippine legislature since July first, nineteen hundred and two.*

1223. An act granting to Cho Hang Lin, of Manila, Philippine Islands, a revocable license to construct, operate, and maintain a slipway or marine railway on the west bank of the Iloilo River, in the municipality of Iloilo, province of Iloilo, island of Panay.

1256. An act granting to Juan Bautista Fernandez, of Cebu, a license to construct, operate, and maintain a slipway or marine railway on a tract of land situated in the barrio of Canghana, in the municipality of Opon, province of Cebu.

1262. An act granting to Ignacio Arnalot, of the municipality of Tayabas, province of Tayabas, a concession to divert certain waters for the purpose of generating electric power.

1303. An act granting to Martin M. Levering a franchise to install, operate, and maintain an electric light, heat, and power supply system in the municipality of Cebu, province of Cebu.

1368. An act to provide for the granting of a franchise to construct, maintain, and operate telephone and telegraph systems, and to carry on other electrical transmission business in and between the provinces, cities, and municipalities of the island of Luzon.

1456. An act granting to Bonifacio Villanueva, of the municipality of Mauban, province of Tayabas, a revocable license to divert the waters of the Trapichi River, situated in the said municipality of Mauban, province of Tayabas, for the purpose of generating power to operate certain rice-thrashing machinery.

1658. An act to provide for the granting of a franchise to construct, maintain, and operate telephone and telegraph systems, and to carry on other electrical transmission business in and between the provinces, cities, and municipalities of the island of Luzon.

1790. An act to confirm certain rights and franchises of the Banco Espaniol-Filipino and to amend its statutes.

1826. An act to provide for the granting of a franchise to construct, maintain, and operate telephone and telegraph systems, and to carry on other electrical transmission business in and between the provinces of Albay and Ambos Camarines and in and between the municipalities thereof.

17. Joint resolution approving, ratifying, and confirming the acceptance by Charles W. Carson of the franchise granted him in act numbered eighteen hundred and twenty-six and receiving and considering said acceptance as a good and sufficient compliance with the terms of said act.

1947. An act to ratify and confirm certain mining concessions granted under royal decrees of the Kingdom of Spain, to amend the terms and conditions of said concessions, and to provide for their registration.

NOTE.—By reference to the list of railroad franchises granted by the Philippine legislature (herewith), it will be seen that some of these also contained grants of franchises for works of public utility.

[No. 1223.]

AN ACT Granting to Cho Hang Lin, of Manila, Philippine Islands, a revocable license to construct, operate, and maintain a slipway or marine railway on the west bank of the Iloilo River, in the municipality of Iloilo, province of Iloilo, island of Panay.

*By authority of the United States, be it enacted by the Philippine Commission, that:*

SECTION 1. Cho Hang Lin, of the city of Manila, Philippine Islands, is hereby granted a revocable license to construct, operate, and maintain a slipway or marine railway consisting of one or more slips on that portion of the west bank of the Iloilo River, in the municipality of Iloilo, province of Iloilo, island of Panay, which is bounded upon the north and west by property claimed by Cornelio Melliza, on the south

by lands claimed by Ynchausti and Company, and on the east by the waters of the Iloilo River.

SEC. 2. The slipway or marine railway and the machinery, appliances, and auxiliaries of said slipway or marine railway must be so constructed and placed as not to obstruct or injuriously to interfere with the free and convenient navigation of the Iloilo River; and in no event shall said slipway or marine railway, or any of the machinery, appliances, or auxiliaries thereof, extend into the Iloilo River to a point more than fifty feet beyond the present low-water line.

SEC. 3. Said slipway or marine railway must be constructed according to detailed plans approved in writing by the consulting engineer to the commission, and such plans shall be submitted by the said Cho Hang Lin to the consulting engineer to the commission for official action within forty days after the passage of this act.

SEC. 4. Said slipway or marine railway shall not be put in operation or opened for public use until the same has been inspected and a permit to operate it and open it for public use shall have been issued by the said consulting engineer to the said Cho Hang Lin.

SEC. 5. Whenever it is decided by the Philippine Commission that said slipway or marine railway, or the machinery, appliances, or auxiliaries thereof, constitute an interference with the free or convenient navigation of the Iloilo River, or that the space occupied by said slipway or marine railway, or by the machinery, appliances, or auxiliaries thereof, is necessary for the improvement of the river or harbor or for the protection or convenience of navigation, it shall be the duty of Cho Hang Lin, his lessees, grantees, or successors in interest, to remove within the time to be specified by the consulting engineer to the commission any part or portion of said slipway or marine railway, or the machinery, appliances, or auxiliaries of said slipway or marine railway, constituting an interference with the free or convenient navigation of the Iloilo River, or occupying space necessary for the improvement of the river or harbor or for the protection or convenience of navigation.

SEC. 6. The grantee of this revocable license shall begin the construction of said slipway or marine railway within ninety days, and shall fully complete said slipway or marine railway and put the same in operation for the public convenience within one year after the passage of this act; and for a failure to begin the work of construction within the time limited by this section, or to put said slipway or marine railway in full operation for the public convenience within the time herein prescribed, the license granted by this act to construct, maintain, and operate said slipway or marine railway shall be forfeited and revoked.

SEC. 7. The rates to be charged for the use of said slipway or marine railway, or for services rendered by said slipway or marine railway, shall always be subject to examination and regulation by act of the commission or other legislative authority of these islands.

SEC. 8. The grantee of this revocable license, his lessees, grantees, or successors in interest, shall at all times maintain said slipway or marine railway in good repair to the satisfaction of the consulting engineer to the commission, and in a suitable state of efficiency for the proper carrying out of the work for which said slipway or marine railway is constructed.

SEC. 9. The revocable license granted by this act to Cho Hang Lin shall not be assigned, transferred, let, or sublet without the authorization and consent of the Philippine Commission.

SEC. 10. The license granted by this act may be revoked at any time by act of the commission.

SEC. 11. The public good requiring the speedy enactment of this bill, the passage of the same is hereby expedited in accordance with section two of "An act prescribing the order of procedure by the commission in the enactment of laws," passed September twenty-sixth, nineteen hundred.

SEC. 12. This act shall take effect on its passage.

Enacted, August 29, 1904.

[No. 1256.]

AN ACT Granting to Juan Bautista Fernandez, of Cebú, a license to construct, operate, and maintain a slipway or marine railway on a tract of land situated in the barrio of Canghana, in the municipality of Opón, Province of Cebú.

*By authority of the United States, be it enacted by the Philippine Commission, that:*

SECTION 1. Juan Bautista Fernandez, of the municipality of Cebú, Province of Cebú, his successors and assigns, is hereby granted a license to construct, operate, and maintain a slipway or marine railway for the period of fifty years, consisting of one or more slips, in that portion of the waters lying between the Island of Cebú and

the Island of Mactan, which constitutes the water front of a tract of land owned by the said Juan Bautista Fernandez in the barrio of Canghana, in the municipality of Opón, in the Province of Cebú.

Sec. 2. Said slipway or marine railway must be constructed according to detailed plans approved in writing by the consulting engineer to the commission, and such plans shall be submitted for such approval by the said Fernandez within forty days after the passage of this act.

Sec. 3. Said slipway or marine railway shall not be put in operation or opened for public use until the same has been inspected and a permit to operate it and open it for public use shall have been issued by the said consulting engineer to the said Fernandez.

Sec. 4. The grantee of this license shall begin the construction of said slipway or marine railway within ninety days, and shall fully complete said slipway or marine railway and put the same in operation for the public convenience within eighteen months after the passage of this act; and for a failure to begin the work of construction within the time limited by this section, or to put said slipway or marine railway in full operation for the public convenience within the time herein prescribed, the license granted by this act to construct, maintain, and operate said slipway or marine railway shall be forfeited and revoked.

Sec. 5. The rates to be charged for the use of said slipway or marine railway, or for services rendered by said slipway or marine railway, shall always be subject to examination and regulation by act of the commission or other legislative authority of these islands.

Sec. 6. The grantee of this license, his lessees, grantees, or successors in interest, shall at all times maintain said slipway or marine railway in good repair to the satisfaction of the consulting engineer to the commission, and in a suitable state of efficiency for the proper carrying out of the work for which said slipway or marine railway is constructed. The duly authorized agent of the government of the Philippine Islands shall always have the right to enter and examine any and all parts of said property at any time, either in person or by agent.

Sec. 7. The grantee of this license, his lessees, grantees, or successors in interest, shall pay annually to the government of the Philippine Islands one-half of one per centum per annum of the gross receipts derived from the operation of said slipway or marine railway from and after the date of the acceptance of this license. Said payment shall be made on the fifteenth day of January of each and every year for the year preceding, and any accredited officer of the insular government shall, upon demand, have the right to examine and inspect the books of the grantee, his successors or assigns, for the purpose of ascertaining the gross receipts of the said slipway or marine railway for any year; but nothing in this section shall be construed to interfere with the rights of the municipal, provincial, or insular governments to assess taxes upon the land in question or improvements thereon, nor shall it affect the right of the government to assess and collect any business or income tax on his business.

Sec. 8. The license granted herein is subject to amendment, alteration, or repeal by the Congress of the United States as provided in section seventy-four of act of Congress approved July first, nineteen hundred and two, entitled "An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes."

Sec. 9. The public good requiring the speedy enactment of this bill, the passage of the same is hereby expedited in accordance with section two of "An act prescribing the order of procedure by the commission in the enactment of laws," passed September twenty-sixth, nineteen hundred.

Sec. 10. This act shall take effect on its passage.

Enacted, November 1, 1904.

[No. 1262.]

AN ACT Granting to Ignacio Arnalot, of the municipality of Tayabas, province of Tayabas, a concession to divert certain waters for the purpose of generating electric power.

*By authority of the United States, be it enacted by the Philippine Commission, that:*

SECTION 1. There is hereby granted to Ignacio Arnalot, of the municipality of Tayabas, province of Tayabas, his successors and assigns, the right, privilege, and authority, for a period of twenty-five years from and after the passage of this act, to divert the waters of the Ibiang Munti and Ibiang Malaqui rivers, situated between the municipalities of Lucban and Tayabas, in said province, for the purpose of generating elec-

tric power and transmitting the same to the factory now owned by said Ignacio Arnalot in the municipality of Tayabas; to construct, operate, and maintain dams, canals, power houses, transmission line, and all other appurtenances connected with the utilization of said waters as herein set forth; and to furnish electric power to individuals and corporations and to charge and collect tolls, rates, and compensation therefor: *Provided*, That such tolls, rates, and compensation shall always be subject to regulation by act of the Philippine Commission or the legislative body of the islands: *Provided further*, That the water utilized for the purposes of this franchise be returned to the river in such manner and place as the consulting engineer to the commission shall direct.

SEC. 2. Said grantee shall file his acceptance of the conditions of this franchise with the secretary of commerce and police within thirty days from the date hereof, and said power plant, and any highway bridges that may become necessary by reason of the installation of said plant and its appurtenances, shall be constructed and maintained by the grantee of this franchise according to detailed plans and specifications approved in writing by the consulting engineer to the commission, and said plans and specifications shall be submitted by said grantee for such approval within forty days after the passage of this act; and said grantee shall begin the construction of said power plant within ninety days after approval of the plans, and shall fully complete and put the same in operation within fifteen months after the passage of this act; and for failure to begin the work of construction or to put said power plant into operation within the time herein specified, or for failure to keep all parts of said power plant and bridges in a good state of repair, to the satisfaction of the consulting engineer to the commission, or for discontinuing the bona fide operation of said power plant for a period of two years, the franchise granted by this act shall be forfeited and revoked.

SEC. 3. Said power plant shall not be put into operation until it shall have been duly inspected and a permit to operate the same issued by said consulting engineer to the commission, and said grantee shall thereafter keep all parts of said power plant and highway bridges constructed under the provisions of this act in a satisfactory state of repair.

SEC. 4. The right to use for municipal purposes from the Rivers Ibiang Munti and Ibiang Malaqui the quantity of thirty liters of water per second, and as much more as will not materially interfere with the operations of the power plant of the grantee, is hereby reserved to the municipality of Tayabas.

SEC. 5. The electric installations used by the grantee shall be in accordance with the general regulations contained in the last edition of the National Electric Code as adopted in the United States, and the work of construction, operation, and maintenance of said power plant shall be subject to inspection and examination by the consulting engineer to the commission or his authorized agent, who shall at all times have the right of access to the plant for such purpose.

SEC. 6. The grantee of this franchise, his successors and assigns, shall pay annually to the government of the Philippine Islands one per centum of the gross receipts derived from the sale of electric power or current to individuals and corporations as authorized by section one hereof; but nothing in this section shall be construed to interfere with the rights of the municipal, provincial, or insular governments to assess taxes upon the property, real or personal, of the grantee, his successors or assigns, nor shall it affect the right of the government to assess and collect any business or income tax on his business.

SEC. 7. In case the grantee, his successors or assigns, shall sell or furnish electric power to individuals and corporations as authorized by section one hereof, his books shall always be open to the inspection of the insular treasurer or a deputy designated by him for the purpose, and it shall be the duty of said grantee to submit to the insular treasurer quarterly reports showing the gross receipts and the net receipts for the quarter past and the general condition of the business.

SEC. 8. This franchise is granted with the understanding and upon the condition that it shall be subject to amendment, alteration, or repeal by the Congress of the United States, as provided in section seventy-four of the act of Congress approved July first, nineteen hundred and two, entitled "An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes," and that it shall be subject, in all respects, to the limitations upon corporations and the granting of franchises contained in said act of Congress.

SEC. 9. The public good requiring the speedy enactment of this bill, the passage of the same is hereby expedited in accordance with section two of "An act prescribing the order of procedure by the commission in the enactment of laws," passed September twenty-sixth, nineteen hundred.

SEC. 10. This act shall take effect on its passage.

Enacted, November 15, 1904.

H. Rep. 1015, 61-2—2

[No. 1303.]

AN ACT Granting to Martin M. Levering a franchise to install, operate, and maintain an electric light, heat, and power supply system in the municipality of Cebu, province of Cebu.

*By authority of the United States, be it enacted by the Philippine Commission, that:*

SECTION 1. There is hereby granted to Martin M. Levering, a citizen of the United States, the right, privilege, and authority, for the period of thirty-five years from and after the passage of this act, to erect, construct, maintain, and operate in, along, and over any and all streets, thoroughfares, and public places within the boundaries of the municipality of Cebu, poles, wires, and all necessary apparatus and appurtenances for the transmission and distribution of electric currents for electric power, heat, and light, and for any other purpose for which electricity may be used, and to furnish electric power, heat, and light within said municipality of Cebu, for municipal, domestic, or manufacturing uses and for any other use to which electricity may be put, and to charge and collect tolls, rates, and compensation for such power, heat, light, and use: *Provided*, That such tolls, rates, and compensation shall always be subject to regulation by act of the Philippine Commission or its successors.

SEC. 2. The poles erected by the grantee shall be of such height as to support wires strung thereon at a distance of at least twenty feet above the ground, shall not be of such crooked or ungainly appearance as to disfigure the streets, and shall be placed in accordance with a plan which must have been approved by the municipal authorities; and said grantee shall supply electric power, heat, and light to any applicant for the same within fifteen days after the date of his application, and, as between such applicant and other like applicants in the order of the date of his application up to the limit of the capacity of the plant of said grantee, to be determined by the provincial supervisor on the application of such person or said grantee; and should the demand for electric power, heat, and light at any time increase beyond the capacity of the plant of said grantee to supply the same, the capacity of said plant shall be increased to meet such demand, if the Philippine Commission or its successors shall so direct: *Provided*, That the point at which the electric power, heat, or light is to be supplied is not more than eighty meters from the lines or wires maintained by said grantee.

SEC. 3. All apparatus and appurtenances used by the grantee shall be modern and first class in every respect, and said wires shall be insulated and carefully connected and fastened so as not to come in direct contact with any object through which a "ground" could be formed, and shall be stretched so as not to interfere with the free and unobstructed use of said streets and alleys: *Provided*, that the grantee herein shall, whenever the Philippine Commission or its successors may so direct, place said wires in underground pipes or conduits at his own expense and without any cost or damage to the municipality of Cebu.

SEC. 4. Whenever it shall be necessary in the erection of said poles to take up any portion of the sidewalks or dig up the ground in or near the sides or the corners of the streets or thoroughfares, then the said grantee shall, after said poles are erected, without delay, replace said sidewalk and property in a neat, workmanlike manner and remove from said sidewalks, streets, or thoroughfares all rubbish, sand, and dirt or other material which may have been placed there, taken up, or dug up in the erection or construction of said poles, and shall put such sidewalk, street, or thoroughfare in as good a condition as it was before it was taken up or disturbed.

SEC. 5. Whenever any person has obtained permission to use any of the streets of the municipality for the purpose of removing any building or in the prosecution of any municipal work or for any other cause whatsoever, making it necessary to raise or remove any of said wires which may obstruct the removal of said building or hinder the prosecution of said work, the said grantee, upon forty-eight hours' notice from the municipal council of the municipality of Cebu, shall raise or remove any of said wires which may hinder the prosecution of such work or obstruct the removal of said building so as to allow the free and unobstructed passage of said building and the free and unobstructed prosecution of said work. Such notice shall be a duly adopted resolution of the municipal council, in writing, and served upon said grantee or his duly authorized representative or agent by any person competent to be a witness in a civil action; and in case of the refusal or failure of said grantee to comply with such notice, the municipal president, with the approval of the municipal council first had, shall raise or remove such wires at the expense of said grantee, for the purpose aforesaid.

SEC. 6. Said grantee contracts and covenants hereby to indemnify the said municipality of Cebu for any injury arising from any casualty or accident to person or property by reason of the construction under this franchise or of any neglect or omission to keep the said poles and wires in a safe condition, and for all valid claims against said municipality for damages caused by said wires or electric currents conducted thereby.

SEC. 7. Said grantee shall file his acceptance of the conditions of this franchise with the secretary of commerce and police within thirty days from the date hereof, and shall commence work within six months from the date of filing such acceptance, and shall complete the system and have the same in operation within eighteen months from the date such acceptance is filed, and shall thereafter maintain a first-class electric light, heat, and power service, and in consideration of the franchise hereby granted shall pay quarterly into the provincial treasury of Cebu, to be divided equally between the municipality of Cebu and the Province of Cebu, one per centum of the gross earnings of the enterprise during the first ten years, and two per centum during the following twenty-five years, of the life of this franchise.

SEC. 8. At the time of filing the acceptance mentioned in the last preceding section, the grantee shall deposit in the insular treasury one thousand pesos Philippine currency as an earnest of the good faith of his application, and within six months thereafter shall deposit in the insular treasury the additional sum of nine thousand pesos Philippine currency as a guarantee of the faithful performance of the conditions mentioned in this section, and in case said deposit of nine thousand pesos Philippine currency is not made within six months after the date of filing said acceptance the sum of one thousand pesos already deposited shall be forfeited to the municipality of Cebu. In case, after the deposit of said sum of nine thousand pesos, the work to be done under this franchise is not begun within the time specified, or is not completed within the time provided, both said deposits may be forfeited at the option of the governor-general, and be divided equally between the municipality of Cebu and the Province of Cebu as liquidated damages for the breach of the contract involved in the acceptance of this franchise, and this franchise shall become null and void. In case of the fulfillment of the conditions by this section provided, both said deposits of one thousand and nine thousand pesos shall be returned by the insular treasurer to the grantee upon proper certificate of the provincial supervisor of Cebu of the fulfillment of said conditions: *Provided*, That if work shall be begun by the grantee within the time specified the funds deposited may be returned to the grantee as the work progresses, in monthly or quarterly installments in the discretion of the municipal authorities, in the proportion which the work done bears to the work to be done: *Provided further*, That the insular treasurer may accept duly executed and satisfactory fidelity bonds of a fidelity company in lieu of the cash deposits by this section required.

SEC. 9. The municipality of Cebu shall have the privilege, without compensation, of using the poles of the grantee for the purpose of installing, maintaining, and operating a telephone or fire and police alarm system, but the wires of such telephone or fire and police alarm system shall be placed and stretched in such manner as to cause no interference with or damage to the wires of the electric service of the grantee.

SEC. 10. This franchise is granted with the understanding and upon the condition that it shall be subject to amendment, alteration, or repeal by the Congress of the United States as provided in section seventy-four of the act of Congress approved July first, nineteen hundred and two, entitled "An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes," and that it shall be subject, in all respects, to the limitations upon corporations and the granting of franchises contained in said act of Congress, and that all lands or rights of use or occupation of lands secured by virtue of this franchise shall revert upon its termination to the insular, provincial, or municipal government by which such lands were respectively granted.

SEC. 11. The grantee of this franchise is forbidden to issue stock or bonds under this franchise except in exchange for actual cash or for property at a fair valuation equal to the par value of the stock or bonds so issued. Neither shall said grantee declare any stock or bond dividend.

SEC. 12. The books of the grantee shall always be open to the inspection of the provincial treasurer or a deputy designated by him for the purpose, and it shall be the duty of the grantee to submit to the provincial treasurer quarterly reports in duplicate showing the gross receipts and the net receipts for the quarter past and the general condition of the business, one of which shall be forwarded by the provincial treasurer to the insular auditor, who shall keep the same on file.

SEC. 13. Nothing in this franchise shall be construed to interfere with the rights of the municipal, provincial, or insular government to assess and collect any business or income tax upon the business of the grantee.

SEC. 14. The grantee herein may sell, lease, give, grant, convey, or assign this franchise and all property and rights acquired thereunder to any person, company, or corporation competent to conduct the business authorized thereby, but no title to this franchise or to the property or rights acquired thereunder shall pass by sale, lease, gift, grant, conveyance, transfer, or assignment to the vendee, donee, transferee, lessee, or assignee, or be enjoyed by him until he shall have filed in the office of the secretary of commerce and police an agreement in writing agreeing to comply with

all the terms and conditions imposed on the grantee by the franchise and accepting the said franchise subject to all its existing terms and conditions.

SEC. 15. The municipal council of the municipality of Cebu, after hearing the grantee, shall have the power, with the approval of the governor-general, to declare the forfeiture of this franchise for failure to comply with any of the terms and conditions thereof, unless such failure shall have been directly or primarily caused by the act of God, the public enemy, or *force majeure*. Against such declaration of forfeiture the grantee may apply to any court of competent jurisdiction for such relief as to him may seem proper, but if no such application is made within sixty days after the forfeiture has been declared by the municipality and approved by the governor-general the right to apply to the courts shall be considered waived.

SEC. 16. Wherever in this franchise the term grantee is used, it shall be held and understood to stand for and represent Martin M. Levering, said grantee, his representatives, successors, and assigns.

SEC. 17. The public good requiring the speedy enactment of this bill, the passage of the same is hereby expedited in accordance with section two of "An act prescribing the order of procedure by the commission in the enactment of laws," passed September twenty-sixth, nineteen hundred.

SEC. 18. This act shall take effect on its passage.

Enacted, February 24, 1905.

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[No. 1368.]

AN ACT To provide for the granting of a franchise to construct, maintain, and operate telephone and telegraph systems, and to carry on other electrical transmission business in and between the provinces, cities, and municipalities of the island of Luzon.

*By authority of the United States, be it enacted by the Philippine Commission, that:*

SECTION 1. There is hereby granted, for a period of fifty years from and after the passage of this Act, upon the considerations and conditions herein contained, to John I. Sabin and Louis Glass and their successors or assigns the right and privilege to construct, maintain, and operate in the island of Luzon and in and between the provinces, cities, and municipalities thereof a telephone and telegraph system, to carry on the business of transmitting messages and signals by means of electricity in and between said provinces, cities, and municipalities, and for the purpose of operating said telephone and telegraph system and of transmitting messages and signals by means of electricity to construct telephone and telegraph lines in and between said provinces, cities and municipalities, to construct, maintain and operate and use all apparatus, conduits, and appliances necessary for the electrical transmission of messages and signals, to erect poles, string wires, build conduits, lay cables, and to construct, maintain, and use such other approved and generally accepted means of electrical conduction in, on, over, or under the public roads, highways, lands, bridges, streets, lanes, alleys, avenues, and sidewalks of said provinces, cities, and municipalities as may be necessary and best adapted to the transmission of messages and signals by means of electricity: *Provided, however,* That all poles erected and all conduits constructed or used by the grantees, their successors or assigns, shall be located in the places designated by provincial, city, or municipal authorities, as the case may be, and poles shall be straight and smooth and erected and painted in a good, substantial, and workmanlike manner to the satisfaction of such authorities, but it shall not be obligatory on the grantees, their successors or assigns, to paint poles except in cities and centers of population of municipalities: *And provided further,* That said poles shall be of such a height and the wires or conductors strung or used by said grantees shall be so placed and safeguarded as to prevent danger to life or property by reason of contact with electric light, power, or street railway wires or conductors: *And provided further,* That upon reasonable notice and by resolution of the proper insular, provincial, city, or municipal authorities, the grantees, their successors or assigns, may be required to relocate poles or remove or raise wires or other conductors so as to permit the passage of buildings or other structures from one place to another, one-half the actual cost of such relocation of poles or raising or removal of wires or other conductors to be paid by the person at whose instance the building or structure is moved; and, at the expense of the grantees, their successors or assigns, to relocate conduits, poles, and wires and to raise or remove wires or other conductors when the public interest so requires in order to enable insular, provincial, city, or municipal authorities to prosecute and complete any public work.

Should the grantees, their successors or assigns, fail, refuse, or neglect within a reasonable time to relocate their poles, conduits, or wires or other conductors or to

raise their wires or other conductors when so directed by the proper insular, provincial, city, or municipal authorities, then said authorities may relocate said poles, conduits, or wires or other conductors or raise said wires or other conductors at the expense of the grantees, their successors or assigns: *And provided further*, That whenever twenty-five or more pairs of open wires or other conductors are carried on one line of poles in any city or municipal center, said wires or conductors shall be placed in one cable and whenever more than two hundred and fifty pairs of wires or other conductors in cables are carried on one line of poles, said cables shall be placed underground.

SEC. 2. For the purpose of erecting and maintaining poles or other supports for said wires or other conductors or for the purpose of laying and maintaining underground said wires, cables, or other conductors, it shall be lawful for the grantees, their successors or assigns, under such regulations and orders as may be prescribed by insular, provincial, city, or municipal authorities, to make excavations and lay conduits in any of the public places, lands, roads, highways, streets, lanes, alleys, avenues, bridges, or sidewalks in or between the said provinces, cities, or municipalities: *Provided, however*, That any public place, road, highway, street, lane, alley, avenue, bridge, or sidewalk disturbed, altered, or changed by reason of the erection of poles or other supports or the laying underground of wires or other conductors shall wherever disturbed, altered, or changed be repaired and replaced in a good, substantial, and workmanlike manner by said grantees, their successors or assigns, to the satisfaction of the insular, provincial, city, or municipal authorities, as the case may be. Should the grantees, their successors or assigns, after reasonable written notice from said authorities, fail, refuse, or neglect to repair and replace in a good, substantial, and workmanlike manner to the satisfaction of said insular, provincial, city, or municipal authorities any part of a public place, road, highway, street, lane, alley, avenue, bridge, or sidewalk altered, changed, or disturbed by said grantees, their successors or assigns, then the insular, provincial, city, or municipal authorities, as the case may be, shall have the right to have the same properly repaired and placed in good order and condition at the cost and expense of the grantees, their successors or assigns.

SEC. 3. All telegraph and telephone lines and systems for the transmission of messages and signals by means of electricity owned, maintained, or operated by the grantees, their successors or assigns, shall be maintained and operated at all times in a complete, modern, first-class style as understood in the United States, and it shall be the further duty of said grantees, their successors or assigns, to modify, improve, and change such telephone and telegraph system, or systems for the transmission of messages by means of electricity, in such manner and to such extent as the progress of science and improvements in the method of transmission of messages and signals by means of electricity may make reasonable and proper.

SEC. 4. The grantees, their successors or assigns, shall keep a separate account of the gross receipts of the telephone, telegraph, and electrical transmission business transacted by them in the city of Manila and in each of the municipalities of the various provinces and shall furnish to the insular auditor and the insular treasurer a copy of such account not later than the thirty-first day of July of each year for the twelve months preceding the first day of July. For the purpose of auditing the accounts so rendered to the insular auditor and insular treasurer all of the books and accounts of the grantees, their successors or assigns, shall be subject to the official inspection of the insular auditor, or his authorized representatives, and in the absence of fraud or mistake the audit and approval by the insular auditor of the accounts so rendered to him and to the insular treasurer shall be final and conclusive evidence as to the amount of said gross receipts.

SEC. 5. The grantees, their successors or assigns, shall be liable to pay the same taxes on their real estate, buildings, and personal property exclusive of the franchise as other persons or corporations are now or hereafter may be required by law to pay. The grantees, their successors or assigns, shall further pay to the insular treasurer each year, within ten days after the audit and approval of the accounts as prescribed in section four of this act, two per centum of all gross receipts of the telephone, telegraph, or other electrical transmission business transacted under this franchise by the grantees, their successors or assigns, and the said percentage shall be in lieu of all taxes on the franchise or earnings thereof.

SEC. 6. As a guaranty that the franchise has been accepted in good faith and that within eighteen months from the date of the passage of this act, the grantees, or their successors or assigns, will begin the business of transmitting messages by telephone and will be fully equipped and ready to operate according to the terms of this franchise one thousand telephones in the city of Manila, the said grantees shall deposit at the time of such acceptance with the insular treasurer fifty thousand pesos or negotiable bonds of the United States or other securities, approved by the governor-general, of the face value of fifty thousand pesos: *Provided, however*, That if the

deposit is made in money the same shall be deposited at interest in some interest-paying bank approved by the governor-general and all interest accruing and due on such deposit shall be collected by the insular treasurer and paid to the grantees, their successors or assigns, on demand: *And provided further*, That if the deposit made with the insular treasurer be negotiable bonds of the United States or other interest-bearing securities approved by the governor-general, the interest on such bonds or securities shall be collected by the insular treasurer and paid over to the grantees, their successors or assigns, on demand. Should the said grantees, their successors or assigns, for any cause other than the act of God, the public enemy, usurped or military power, martial law, riot, civil commotion, or inevitable cause, fail, refuse, or neglect to begin within eighteen months from the date of the passage of this act, the business of transmitting messages by telephone, or fail, refuse, or neglect to be fully equipped and ready to operate within eighteen months from the date of the passage of this act one thousand telephones in the city of Manila according to the terms of this franchise, then the deposit prescribed by this section to be made with the insular treasurer, whether in money, bonds, or other securities, shall become the property of the insular government as liquidated damages caused to such government by such failure, refusal, or neglect, and thereafter no interest on said bonds or other securities deposited shall be paid to the grantees, their successors or assigns. Should the said grantees, their successors or assigns, begin the business of transmitting messages by telephone and be ready to operate according to the terms of this franchise one thousand telephones in the city of Manila within eighteen months from the date of the passage of this act, then and in that event the deposit prescribed by this section shall be returned by the insular government to the grantees, their successors or assigns.

SEC. 7. The books and accounts of the grantees, their successors or assigns, shall be subject to official inspection at any and all times by the insular auditor or his authorized representatives.

SEC. 8. The rights herein granted shall not be exclusive, and the right and power to grant to any corporation, association, or person other than the grantees franchises for the telephonic, telegraphic, or electrical transmission of messages or signals shall not be impaired or affected by the granting of this franchise: *Provided*, That the poles erected, wires strung, or conduits laid by virtue of any franchise for telephone, telegraph, or other electrical transmission of messages and signals granted subsequent to this act shall be so placed as not to impair the efficient and effective transmission of messages or signals under this franchise: *And provided further*, That the grantees of this franchise may be required by the Philippine Commission to remove, relocate, or replace their poles, wires, or conduits, but in such case the reasonable cost of the removal, relocation, or replacement shall be paid by the grantees of the subsequent franchise or their successors or assigns to the grantees of this franchise or their successors or assigns.

SEC. 9. The grantees, their successors or assigns, shall hold the insular, provincial, city, and municipal governments harmless from all claims, accounts, demands, or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the telephone, telegraph, or other electrical transmission system of the said grantees, their successors or assigns.

SEC. 10. The city of Manila and the municipalities in which the grantees, their successors or assigns, may establish telephone, telegraph, or any other system of electrical transmission of messages and signals shall have the privilege of using, without compensation, the poles of the grantees, their successors or assigns, for the purpose of installing, maintaining, and operating a fire and police telephone alarm system, but the wires of such fire and police telephone alarm system shall be so placed, strung, stretched, and insulated as not to interfere with the efficient transmission of messages and signals by the grantees, their successors or assigns.

SEC. 11. Within ninety days after the date of the passage of this act the grantees shall file with the executive secretary of the Philippine Islands their written acceptance of the franchise granted by this act and of all the terms and conditions thereof, and the grantees shall begin the construction of their telephone system in the city of Manila within six months from the date of such acceptance and shall begin the business of transmitting messages by telephone and be fully equipped and ready to operate one thousand telephones in said city within eighteen months from the date of the passage of this act unless prevented by act of God, the public enemy, usurped or military power, martial law, riot, civil commotion, or inevitable cause.

The failure, refusal, or neglect to comply with any of the terms and conditions required of the grantees, their successors or assigns, by this act, shall subject the franchise to forfeiture unless such failure, refusal, or neglect was directly and primarily caused by act of God, the public enemy, usurped or military power, martial law, riot, civil commotion, or inevitable cause.

SEC. 12. Until the grantees, their successors or assigns, shall have in operation four thousand telephones in the city of Manila, the rates to be charged by the grantees, their successors or assigns, shall not exceed the following:

A. Subscribers for telephones other than residence telephones, having an individual and metallic circuit, with unlimited exchange switching, shall pay monthly in advance a flat rate not to exceed thirteen pesos, or, at the option of the grantees, their successors or assigns, in lieu of such flat rate not to exceed ten centavos per switch, telephone rent free;

B. Subscribers for telephones other than residence telephones, having a party wire, with not exceeding two subscribers on the same line and unlimited exchange switching, shall each pay monthly in advance a flat rate of not to exceed nine pesos, or, at the option of the grantees, their successors or assigns, in lieu of such flat rate, not to exceed ten centavos per switch, telephone rent free;

C. Subscribers for telephones other than residence telephones, having a party wire, with four or more subscribers on the same line and unlimited exchange switching, shall each pay monthly in advance a flat rate of not to exceed six pesos, or, at the option of the grantees, their successors or assigns, in lieu of such flat rate, not to exceed ten centavos per switch, telephone rent free;

D. Subscribers having residence telephones on an individual and metallic circuit and unlimited exchange switching, shall pay monthly in advance a flat rate of not to exceed ten pesos;

E. Subscribers having residence telephones on party wire, with two subscribers on the same line and unlimited exchange switching, shall each pay monthly in advance a flat rate of not to exceed seven pesos;

F. Subscribers having residence telephones on party wire, with four or more subscribers on the same line and unlimited exchange switching, shall each pay monthly in advance a flat rate of not to exceed five pesos: *Provided*, That these rates shall only apply within the following-described limits in the city of Manila:

Commencing at a point on the shore of Manila Bay, about one hundred and fifty feet distant in a northerly direction from the north line of Calle de Moriones, prolonged so as to intersect said shore, and running in a straight line from said point to a point about one hundred and fifty feet northwest of the junction of Calle Zurbaran and Calle Feliz, thence in a straight line to a point on the Estero de Valencio about one hundred feet north of Calle de Santa Mesa, thence following the center line of said estero to the center line of the Pasig River, thence following said center line of the Pasig River in a westerly direction to a point opposite the mouth of the Estero Paco, thence following the center line of the said Estero Paco to a point about one hundred and fifty feet south of the Paco Bridge, thence westerly in a straight line parallel with Calle de Herran to a point about one hundred and fifty feet east of Calle Nueva, thence in a southerly direction parallel with Calle Nueva to a point about two hundred feet north of the Estero de San Antonio, thence in a straight line in a southwesterly direction to the shore line of Manila Bay and thence along said shore line as now or hereafter existing to the point of beginning.

For each telephone line in the city of Manila running beyond said limits an additional charge of fifteen pesos per annum may be made for each additional quarter mile or fraction thereof greater than one hundred and twenty feet, beyond said limits, such additional charge to be divided among the telephones on such lines: *Provided, however*, That whenever there are twenty-five or more pairs of wires or conductors in use on any line of poles or conduits or portion thereof beyond said limits and in the city of Manila no mileage or extra compensation in addition to the maximum rates fixed above shall be charged to anyone for service on such wires or conductors or to anyone along said line of poles or conduits.

SEC. 13. The right is hereby reserved to the government of the Philippine Islands to regulate the rates to be charged by the grantees, their successors or assigns, but any rates which may hereafter be fixed shall be sufficient to yield a reasonable return to the grantees, their successors or assigns, upon the capital invested, after making due allowance for maintenance, operation, and other necessary expenses.

SEC. 14. The grantees may transfer, sell, or assign this franchise to any corporation formed, organized, or existing under the laws of the Philippine Islands or of any State of the United States and such corporation shall have the right to buy and to own said franchise. Any corporation to which this franchise is sold, transferred, or assigned shall be subject to the corporation laws of the Philippine Islands now existing or hereafter enacted and shall be subject to all the terms, conditions, restrictions, and limitations of this franchise as fully and completely and to the same extent as if the franchise had been originally granted to said corporation.

SEC. 15. Should the grantees, their successors or assigns, purchase the franchise of the *Sociedad de Teléfonos de Manila*, all rights and privileges acquired by such franchise shall be considered as merged in this franchise, and the telephone system

so purchased shall be maintained, operated, and conducted under the provisions, terms, conditions, restrictions, and limitations of this act and the franchise under which the said *Sociedad de Teléfonos de Manila* is now operating shall have no force or effect whatever after the purchase thereof by the grantees, their successors or assigns.

SEC. 16. No private property shall be taken for any purpose by the grantees of this franchise, their successors or assigns, without proper condemnation proceedings and just compensation paid or tendered therefor, and any authority to take and occupy land shall not authorize the taking, use, or occupation of any land except such as is required for the actual necessary purposes for which the franchise is granted. All lands or rights of use and occupation of lands granted to the grantees, their successors or assigns, shall, upon the termination of this franchise or upon its revocation or repeal, revert to the insular government or the provincial or municipal government to which such lands or the right to use and occupy them belonged at the time the grant thereof or the right to use or occupy the same was conceded to the grantees, their successors or assigns. The grantees, their successors or assigns, shall not issue stock or bonds except in exchange for actual cash or for property at a fair valuation equal to the par value of the stock or bonds issued, and said grantees, their successors or assigns, shall not declare any stock or bond dividend. The grantees, their successors or assigns, shall not use, employ, or contract for the labor of persons claimed or alleged to be held in involuntary servitude. This franchise is granted subject to amendment, alteration, or repeal by the Congress of the United States.

SEC. 17. The public good requiring the speedy enactment of this bill, the passage of the same is hereby expedited in accordance with section two of "An act prescribing the order of procedure by the commission in the enactment of laws," passed September twenty-sixth, nineteen hundred.

SEC. 18. This act shall take effect on its passage.

Enacted, July 6, 1905.

[No. 1456.]

AN ACT Granting to Bonifacio Villanueva, of the municipality of Mauban, Province of Tayabas, a revocable license to divert the waters of the Trapichi River, situated in the said municipality of Mauban, Province of Tayabas, for the purpose of generating power to operate certain rice-thrashing machinery.

*By authority of the United States, be it enacted by the Philippine Commission, that:*

SECTION 1. There is hereby granted to Bonifacio Villanueva, of the municipality of Mauban, Province of Tayabas, a license, which may be revoked by the Philippine Commission whenever in its opinion the public interests so require, to divert the waters of the Trapichi River, situated in the said municipality of Mauban, Province of Tayabas, for the purpose of furnishing power for the operation of certain rice-thrashing machinery now owned by said Bonifacio Villanueva in the municipality of Mauban, and to construct such dams, basins, and so forth, as may be necessary to generate the power required: *Provided*, That said waters shall be returned to the river at a point about thirty feet below the thrashing mill referred to.

SEC. 2. Said power plant shall be duly inspected and a permit to operate same issued by the director of public works, and said grantee shall thereafter keep all parts of said construction in a state of repair satisfactory to the director of public works.

SEC. 3. The public good requiring the speedy enactment of this bill, the passage of the same is hereby expedited in accordance with section two of "An act prescribing the order of procedure by the commission in the enactment of laws," passed September twenty-sixth, nineteen hundred.

SEC. 4. This act shall take effect upon its passage.

Enacted, February 20, 1906.

[No. 1658.]

AN ACT To provide for the granting of a franchise to construct, maintain, and operate telephone and telegraph systems, and to carry on other electrical transmission business in and between the provinces, cities, and municipalities of the Island of Luzon.

*By authority of the United States, be it enacted by the Philippine Commission, that:*

SECTION 1. There is hereby granted, for a period of fifty years from and after the passage of this act, upon the considerations and conditions herein contained, to William H. Allen and J. H. Brown, and their successors or assigns, the right and privilege to construct, maintain, and operate in the island of Luzon, and in and between the provinces, cities, and municipalities thereof, a telephone and telegraph system, to

carry on the business of transmitting messages and signals by means of electricity in and between said provinces, cities, and municipalities, and for the purpose of operating said telephone and telegraph systems and of transmitting messages and signals by means of electricity, to construct telephone and telegraph lines in and between said provinces, cities, and municipalities, to construct, maintain, and operate and use all apparatus, conduits, and appliances necessary for the electrical transmission of messages and signals, to erect poles, string wires, build conduits, lay cables, and to construct, maintain, and use such other approved and generally accepted means of electrical conduction in, on, over, or under the public roads, highways, lands, bridges, streets, lanes, alleys, avenues, and sidewalks of said provinces, cities, and municipalities as may be necessary and best adapted to the transmission of messages and signals by means of electricity: *Provided, however,* That all poles erected and all conduits constructed or used by the grantees, their successors or assigns, shall be located in the places designated by provincial, city, or municipal authorities, as the case may be, and poles shall be straight and smooth, and erected and painted in a good, substantial, and workmanlike manner to the satisfaction of such authorities, but it shall not be obligatory on the grantees, their successors or assigns, to paint poles except in cities and centers of population or municipalities: *And provided further,* That said poles shall be of such a height and the wires or conductors strung or used by said grantees shall be so placed and safeguarded as to prevent danger to life or property by reason of contact with electric light, power, or street railway wires or conductors: *And provided further,* That upon reasonable notice and by resolution of the proper insular, provincial, city, or municipal authorities, the grantees, their successors or assigns, may be required to relocate poles or remove or raise wires or other conductors so as to permit the passage of buildings or other structures from one place to another, one-half the actual cost of such relocation of poles or raising or removal of wires or other conductors to be paid by the person at whose instance the building or structure is moved; and, at the expense of the grantees, their successors or assigns, to relocate conduits, poles, and wires and to raise or remove wires or other conductors, when the insular, city, or any provincial or municipal government declares that the public interest so requires: *Provided, however,* That from any order or regulation of a provincial or municipal government requiring the grantees, their successors or assigns, to relocate conduits, poles, or wires, or to raise or remove wires or other conductors, the said grantees, their successors or assigns, shall have the right of appeal to the governor-general, whose decision in the matter shall be final and conclusive.

Should the grantees, their successors or assigns, fail, refuse, or neglect within a reasonable time to relocate their poles, conduits, or wires or other conductors, or to raise their wires or other conductors when so directed by the proper insular, provincial, city, or municipal authorities, then said authorities may relocate said poles, conduits, or wires or other conductors or raise said wires or other conductors at the expense of the grantees, their successors or assigns: *And provided further,* That the installation of all instruments, the inside wiring, and all outside construction work shall be done in accordance with the rules, regulations, or ordinances covering electrical work adopted by insular, provincial, city, or municipal authorities: *And provided further,* That whenever twenty-five or more pairs of open wires or other conductors are carried on one line of poles in a city or municipal center, said wires or conductors shall be placed in one cable; and that whenever more than one hundred pairs of wires or other conductors in cables are carried on one line of poles, said cables shall be placed underground: *And provided further,* That the grantees, their successors or assigns, under this franchise, shall install in the city of Manila, within eighteen months from the date of the passage of this act, underground conduit equivalent to at least one hundred and twenty thousand feet of single conduit: *And provided further,* That the poles erected, wires and cables strung, or conduits laid by virtue of this franchise shall be so placed as not to impair the efficient and effective transmission of messages or signals under the franchise granted to the Philippine Islands Telephone and Telegraph Company, or to impair the efficient and effective transmission of messages or signals of any other company whose poles are erected, whose wires and cables are strung, or whose conduits are actually laid at the time that poles are to be erected, wires and cables are to be strung, or conduits are to be laid under and by virtue of this franchise.

SEC. 2. For the purpose of erecting and maintaining poles or other supports for said wires or other conductors or for the purpose of laying and maintaining underground said wires, cables, or other conductors, it shall be lawful for the grantees, their successors or assigns, under such regulations and orders as may be prescribed by insular, provincial, city, or municipal authorities, to make excavations and lay conduits in any of the public places, lands, roads, highways, streets, lanes, alleys, avenues, bridges, or sidewalks in or between the said provinces, cities, or municipalities: *Provided, however,* That any public place, road, highway, street, lane, alley, avenue,

bridge, or sidewalk disturbed, altered, or changed by reason of the erection of poles or other supports or the laying underground of wires or other conductors or of conduits, shall, wherever disturbed, altered, or changed, be repaired and replaced in a good, substantial, and workmanlike manner by said grantees, their successors or assigns, to the satisfaction of the insular, provincial, city, or municipal authorities, as the case may be. Should the grantees, their successors or assigns, after reasonable written notice from said authorities, fail, refuse, or neglect to repair and replace in a good, substantial, and workmanlike manner to the satisfaction of said insular, provincial, city, or municipal authorities any part of a public place, road, highway, street, lane, alley, avenue, bridge, or sidewalk altered, changed, or disturbed by said grantees, their successors or assigns, then the insular, provincial, city, or municipal authorities, as the case may be, shall have the right to have the same properly repaired and placed in good order and condition at the cost and expense of the grantees, their successors or assigns.

Sec. 3. All telegraph and telephone lines and systems for the transmission of messages and signals by means of electricity owned, maintained, or operated by the grantees, their successors or assigns, shall be maintained and operated at all times in a complete, modern, first-class style as understood in the United States, and it shall be the further duty of said grantees, their successors or assigns, to modify, improve, and change such telephone and telegraph system, or systems, for the transmission of messages by means of electricity, in such manner and to such extent as the progress of science and improvements in the method of transmission of messages and signals by means of electricity may make reasonable and proper.

Sec. 4. The grantees, their successors or assigns, shall keep a separate account of the gross receipts of the telephone, telegraph, and electrical-transmission business transacted by them in the city of Manila and in each of the municipalities of the various provinces and shall furnish to the insular auditor and the insular treasurer a copy of such account not later than the thirty-first day of July of each year for the twelve months preceding the first day of July. For the purpose of auditing the accounts so rendered to the insular auditor and insular treasurer, all of the books and accounts of the grantees, their successors or assigns, shall be subject to the official inspection of the insular auditor, or his authorized representatives, and in the absence of fraud or mistake the audit and approval by the insular auditor of the accounts so rendered to him and to the insular treasurer shall be final and conclusive evidence as to the amount of said gross receipts.

Sec. 5. The grantees, their successors or assigns, shall be liable to pay the same taxes on their real estate, buildings, and personal property exclusive of the franchise as other persons or corporations are now or hereafter may be required by law to pay. The grantees, their successors or assigns, shall further pay to the insular treasurer each year, within ten days after the audit and approval of the accounts as prescribed in section four of this act, two per centum of all gross receipts of the telephone, telegraph, or other electrical transmission business transacted under this franchise by the grantees, their successors or assigns, and the said percentage shall be in lieu of all taxes on the franchise or earnings thereof.

Sec. 6. As a guaranty that the franchise has been accepted in good faith and that within eighteen months from the date of the passage of this act the grantees, or their successors or assigns, will have constructed, of reinforced concrete or other material approved by the director of public works, a main central building in the city of Manila, which building, including the site on which it is constructed, shall cost not less than eighty thousand pesos, and the structure itself not less than sixty thousand pesos; that they will have placed underground conduit equivalent to one hundred thousand feet of single conduit; that they will begin the business of transmitting messages by telephones and will be fully equipped and ready to operate according to the terms of this franchise one thousand telephones in the city of Manila, the said grantees shall deposit at the time of such acceptance, with the insular treasurer, fifty thousand pesos or negotiable bonds of the United States or other securities, approved by the governor-general, of the face value of fifth thousand pesos: *Provided, however,* That if the deposit is made in money the same shall be deposited at interest in some interest-paying bank approved by the governor-general and all interest accruing and due on such deposit shall be collected by the insular treasurer and paid to the grantees, their successors or assigns, on demand: *And provided further,* That if the deposit made with the insular treasurer be negotiable bonds of the United States or other interest-bearing securities approved by the governor-general, the interest on such bonds or securities shall be collected by the insular treasurer and paid over to said grantees, their successors or assigns, on demand. Should the said grantees, their successors or assigns, for any cause other than the act of God, the public enemy, usurped or military power, martial law, riot, civil commotion, or inevitable cause, fail,

refuse, or neglect to construct the building or lay the conduit prescribed by this act within eighteen months after its passage, or fail, refuse, or neglect to begin within eighteen months from the date of the passage of this act the business of transmitting messages by telephone, or fail, refuse, or neglect to be fully equipped and ready to operate within eighteen months from the date of the passage of this act one thousand telephones in the city of Manila according to the terms of this franchise, then the deposit prescribed by this section to be made with the insular treasurer, whether in money, bonds, or other securities, shall become the property of the insular government as liquidated damages caused to such government by such failure, refusal, or neglect, and thereafter no interest on said bonds or other securities deposited shall be paid to the grantees, their successors or assigns: *Provided*, That a reasonable extension of time, for proper cause shown, may be granted by the governor-general for the completion of the work.

Should the said grantees, their successors or assigns, construct the building and lay the conduit as prescribed by this act and begin the business of transmitting messages by telephone and be ready to operate according to the terms of this franchise one thousand telephones in the city of Manila within eighteen months from the date of the passage of this act, then and in that event the deposit prescribed by this section shall be returned by the insular government to the grantees, their successors or assigns.

SEC. 7. The books and accounts of the grantees, their successors or assigns, shall be subject to official inspection at any and all times by the insular auditor or his authorized representatives.

SEC. 8. The rights herein granted shall not be exclusive, and the right and power to grant to any corporation, association, or person other than the grantees franchises for the telephonic, telegraphic, or electrical transmission of messages or signals shall not be impaired or affected by the granting of this franchise: *Provided*, That the poles erected, wires strung, or conduits laid by virtue of any franchise for telephone, telegraph, or other electrical transmission of messages and signals granted subsequent to this act shall be so placed as not to impair the efficient and effective transmission of messages or signals under this franchise by means of poles erected, wires strung, or conduits actually laid and in existence at the time of the granting of said subsequent franchise: *And provided further*, That the grantees of this franchise may be required by the governor-general to remove, relocate or replace their poles, wires, or conduits, but in such case the reasonable cost of the removal, relocation, or replacement shall be paid by the grantees of the subsequent franchise or their successors or assigns to the grantees of this franchise or their successors or assigns.

SEC. 9. The grantees of this franchise, their successors or assigns, shall hold the insular, provincial, city, and municipal governments harmless from all claims, accounts, demands, or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the telephone, telegraph, or other electrical-transmission system of the said grantees their successors or assigns.

SEC. 10. The city of Manila, and the municipalities in which the grantees, their successors or assigns, may establish telephone, telegraph, or any other system of electrical transmission of messages and signals shall have the privilege of using, without compensation, the poles of the grantees, their successors or assigns, for the purpose of installing, maintaining, and operating a fire and police telegraph or telephone alarm system, but the wires of such telegraph or telephone, fire, and police alarm shall be so placed, strung, stretched, and insulated as not to interfere with the efficient transmission of messages and signals by the grantees, their successors or assigns. In consideration of the city of Manila permitting drainage into the new sewers of the city from the ducts of the grantees, their successors or assigns, and in consideration of the said city permitting the grantees, their successors or assigns, to hang their wires and cables on its poles, the said grantees, their successors or assigns, shall give to the city free of charge the exclusive use of one duct throughout its underground conduit for its fire and police alarm wires: *Provided, however*, That any drainage from the ducts into the sewers shall be under reasonable rules and regulations prescribed by the municipal board of Manila, and in case permission to drain from the ducts into the sewers is not granted to the grantees of this franchise, or their successors or assigns, before construction work is commenced, then no free use of the duct shall be required as aforesaid: *And provided further*, That in case the grantees, their successors or assigns, shall hang their wires and cables on the poles of the said city of Manila, they shall be so placed, strung, stretched, and insulated as not to interfere with the efficient transmission of fire and police alarm messages and signals by the city of Manila, and the placing, stringing, stretching, and insulating of the wires and cables of the grantees, their successors and assigns, on poles of the city of Manila shall be done in accordance with regulations prescribed by the city of Manila.

Sec. 11. Within sixty days after the passage of this act the grantees shall file with the secretary of commerce and police their written acceptance of the franchise granted by this act and of all the terms and conditions thereof, and the grantees shall begin the construction of their telephone system in the city of Manila within eight months from the date of such acceptance and shall begin the business of transmitting messages by telephone and be fully equipped and ready to operate at least one thousand telephones in said city within eighteen months from the date of the passage of this act unless prevented by act of God, the public enemy, usurped or military power, martial law, riot, civil commotion, or inevitable cause.

The failure, refusal, or neglect to comply with any of the terms and conditions required of the grantees, their successors or assigns, by this act shall subject the franchise to forfeiture unless such failure, refusal, or neglect was directly and primarily caused by act of God, the public enemy, usurped or military power, martial law, riot, civil commotion, or inevitable cause. The time during which the grantees are prevented from carrying out the terms and conditions of this franchise by any of the causes cited herein shall be added to the time allowed by this franchise for compliance with its provisions.

Sec. 12. The rates to be charged by the grantees, their successors or assigns, shall not exceed the following:

(a) Subscribers for telephones other than residence telephones, having an individual and metallic circuit, with unlimited exchange switching, shall pay monthly in advance a flat rate not to exceed ten pesos;

(b) Subscribers having residence telephones on an individual and metallic circuit, and unlimited exchange switching, shall pay monthly in advance a flat rate of not to exceed five pesos;

(c) Subscribers for telephones, residence or otherwise, having a party wire, with not exceeding two subscribers on the same line, and unlimited exchange switching, shall each pay monthly in advance a flat rate of not to exceed sixty-five per centum of the rate charged subscribers for residence or other telephones, respectively, having individual and metallic circuits.

These rates shall apply within the corporate limits of the city of Manila. No subscribers for telephones authorized by this act shall be obliged to purchase instruments or to make any deposit whatever for telephone installation.

Sec. 13. The right is hereby reserved to the government of the Philippine Islands to regulate the rates to be charged by the grantees, their successors or assigns, but any rates which may hereafter be fixed shall be sufficient to yield a reasonable return to the grantees, their successors or assigns, upon the capital invested after making due allowance for the maintenance, operation, and other necessary expenses.

Sec. 14. The grantees may transfer, sell, or assign this franchise to the Automatic Telephone Construction Company, formed and organized under the laws of the State of California, and such company shall have the right to buy and to own said franchise, but the grantees shall not transfer, sell, or assign this franchise to any other person, firm, company, corporation, or other commercial or legal entity without the written approval of the governor-general first had. Any corporation to which this franchise is sold, transferred, or assigned shall be subject to the corporation laws of the Philippine Islands, now existing or hereafter enacted, and any person, firm, company, corporation, or other commercial or legal entity to which this franchise is sold, transferred, or assigned shall be subject to all the conditions, terms, restrictions, and limitations of this franchise as fully and completely and to the same extent as if the franchise had been originally granted to said persons, firm, company, corporation, or other commercial or legal entity.

Unless otherwise authorized by the governor-general, the persons, firm, company, corporation, or other commercial or legal entity to which this franchise may be transferred, sold, or assigned shall operate the automatic telephone system in the city of Manila during the life and under the terms of this franchise, and the property of the person, firm, company, corporation, or other commercial or legal entity concerned shall be security for the carrying out of the terms of this section and of this franchise; and for the failure to operate the automatic telephone system in the city of Manila in accordance with the terms of this franchise, and for the period for which this franchise is granted, all property of the grantees, or their successors or assigns, in the city of Manila shall become the property of the government of the Philippine Islands as liquidated damages.

Sec. 15. No private property shall be taken for any purpose under this franchise without just compensation paid or tendered therefor, and any authority to take and occupy land shall not authorize the taking, use, or occupation of any land except such as is required for the actual necessary purposes for which the franchise is granted. All lands or rights of use and occupation of lands granted to the grantees, their suc-

cessors or assigns, shall, upon the termination of this franchise or upon its revocation or repeal, revert to the insular government or the provincial or municipal government to which such lands or the right to use and occupy them belonged at the time the grant thereof or the right to use or occupy the same was conceded to the grantees, their successors or assigns. The grantees, their successors or assigns, shall not issue stock or bonds except in exchange for actual cash or for property at a fair valuation equal to the par value of the stocks or bonds issued, and said grantees, their successors or assigns, shall not declare any stock or bond dividend. The grantees, their successors or assigns, shall not use, employ, or contract for the labor of persons claimed or alleged to be held in involuntary servitude. This franchise is granted subject to amendment, alteration, or repeal by the Congress of the United States.

Sec. 16. The public good requiring the speedy enactment of this bill, the passage of the same is hereby expedited in accordance with section two of "An act prescribing the order of procedure by the commission in the enactment of laws," passed September twenty-sixth, nineteen hundred.

Sec. 17. This act shall take effect on its passage.

Enacted, May 18, 1907.

[No. 1790.]

AN ACT To confirm certain rights and franchises of the Banco Español-Filipino and to amend its statutes.

Whereas the Banco Español-Filipino is a bank incorporated under a charter granted by the Kingdom of Spain conferring certain privileges and rights upon the bank, and especially that of the exclusive right of issuing and circulating notes of the bank to an amount equal to three times its capital stock, which was authorized to be three millions of pesos, equivalent to one million five hundred thousand dollars American currency; and

Whereas the bank has a paid-in capital of one million five hundred thousand pesos and claims to have in addition an unimpaired surplus of nine hundred thousand pesos; and

Whereas the bank has issued, and has now in circulation, its circulating notes amounting substantially to one million five hundred thousand pesos; and

Whereas the authorities of the bank contend that under the American sovereignty, by reason of the guaranty of the treaty of Paris, they may exercise the same exclusive privilege with respect to circulating notes which was given them under the Spanish charter, and, therefore, that they may increase their capital stock to three million pesos and issue notes to the amount of nine million pesos; and

Whereas the representatives of the bank contend that the Philippine government has violated the exclusive right of the bank above set forth in issuing so-called silver certificates secured by a deposit of similar pesos in the treasury of the islands; and

Whereas the Philippine government, while recognizing as valid the present circulation, has heretofore denied the right of the Philippine Bank under its charter to issue notes equal to three times its capital stock, on the ground that such note-issuing franchise was an exercise of sovereign power which was not transmitted or guaranteed by the treaty of Paris, and has, therefore, imposed a prohibitory tax of twelve per centum on any notes issued beyond the actual paid-in capital stock of the bank, because of its belief that the certain payment or redemption of such notes will not be properly secured under the provisions of the Spanish charter; and

Whereas the bank now threatens to test in court the validity of its franchise and the validity of the prohibitory tax, and relies upon the action of the Congress of the United States in confirming a similar charter granted to the Bank of Porto Rico; and

Whereas the Philippine government has no objection to the issue of circulating notes by this bank to the extent permitted by the Spanish charter, provided only that it shall not be exclusive, and that proper provision shall be made for securing the redemption or payment of such notes: Now, therefore,

*By authority of the United States, be it enacted by the Philippine Commission, that:*

SECTION 1. By way of compromise of the questions arising between the Banco Español-Filipino and the Philippine government in respect to its charter, and the rights already conferred thereby, the Philippine government, by virtue of the general powers conferred upon it under section seventy-four and other sections of the act of Congress of July first, nineteen hundred and two, does hereby amend and confirm the Spanish charter of the Banco Español-Filipino as the same is hereinafter set forth: *Provided, however,* That nothing in this act shall affect the validity of acts done and rights and causes of action which have arisen under the existing statutes of said bank

in its relations with individuals, firms, corporations, and associations in the conduct of the banking business, except that validity is hereby given to all acts heretofore performed by the bank which would otherwise be legal, and whose validity might be questioned by reason of the failure of the bank to comply with its statutes in regard to the participation of the government in the management of the bank: *And provided further*, That the charter and statutes of the bank hereinafter set forth by way of amendment and confirmation shall not take effect until the same shall be duly and in legal form accepted by the proper authorities of the bank representing the corporation.

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## ARTICLES OF INCORPORATION OF THE BANCO ESPAÑOL-FILIPINO.

### TITLE I.—*Name, constitution, title, objects, domicile, and duration of the corporation.*

#### ARTICLE I.

That the Banco Español-Filipino, founded in eighteen hundred and fifty-one by a joint stock company duly authorized to transact business, and reorganized by virtue of royal decree of February seventh, eighteen hundred and ninety-six, shall hereafter be governed by these articles of incorporation.

#### ARTICLE II.

That the Banco Español-Filipino shall be a body corporate, with power to adopt a corporate seal, and shall have succession for the period herein provided; that its corporate existence shall be extended for twenty-five years from January first, nineteen hundred and three. This period may be extended at the request of the majority of the stockholders of the bank, provided such request be made at least one year before the expiration of the twenty-five years mentioned. It may make contracts, sue and be sued, complain, and defend, in any court of law or equity, as fully as a natural person.

#### ARTICLE III.

That the bank is authorized to change its name, by vote of the stockholders in general assembly, to "The Bank of the Philippine Islands."

#### ARTICLE IV.

The head office of the corporation shall be located in the city of Manila, but branches of the bank now established may be continued, and others may be established or discontinued, in other parts of the Philippine Islands, subject to the approval of the governor-general of the Philippine Islands; and agencies of such bank may be established in the United States and in foreign countries, subject to the approval of the governor-general of the Philippine Islands and in accordance with the laws of the United States or such foreign countries.

#### ARTICLE V.

The bank is authorized to engage in the following classes of transactions:

1. Discounting bills of exchange whose maturity does not exceed six months and commercial promissory notes whose maturity does not exceed one year.
2. Making collections of drafts and other current negotiable paper and advancing money thereon.
3. Receiving deposits and opening current accounts in currency or upon the deposit of public, provincial, municipal, industrial, or railway securities issued by legally constituted corporations.
4. Receiving and caring for money deposited in trust, arising from legacies, voluntary and other trusts, and judicial decrees, or in any other manner.
5. Receiving in the same manner as under paragraph four gold and silver bars, jewelry with or without precious stones, and stocks and bonds and other securities issued by corporations.
6. Negotiating or drawing bills of exchange, whether domestic or foreign, under the formalities prescribed by the code of commerce as modified by the provisions of this act.
7. Dealing in gold and silver.

8. Making loans upon the security of deposit with the bank, as collateral, of precious metals, articles of commerce, products of the country, negotiable securities, and industrial and commercial bills which are easily and safely realized upon at any time: *Provided*, That all such loans shall be made under regulations established by the general board of directors. Such collateral securities shall be accepted only at a rate not exceeding three-fourths of their market or appraised value, except that when the person or legal entity to which a loan is to be made is, in the judgment of the general board of directors, sufficiently solvent, apart from the collateral furnished, loans may be made to the amount of ninety per centum of the market value of said collateral security, provided that said security is easily convertible into cash and the person to whom the advance is made is a client of the bank; but said person shall, upon the demand of the bank, pay in cash or deposit first-class securities to cover any depreciation in the market value of the securities furnished.

9. Making loans on bills of lading, when invoices and insurance policies satisfactory to the bank are attached thereto: *Provided*, That the amount of such loan shall not exceed three-fourths of the current market value of the articles covered by such bills of lading.

10. Granting current credit accounts in favor of clients who have been approved by the general board of directors, such accounts paying to the bank a commission upon the sums upon which they are entitled to draw, in addition to the interest upon amounts actually used.

11. Buying and selling or otherwise negotiating securities, and borrowing money upon securities owned by the bank.

12. Making loans upon real estate, when mortgage certificates running for a definite term can be sold for the amounts thus loaned; but the amount invested at any one time in such loans, or in any loans upon real estate security, shall not exceed twenty per centum of the capital of the bank, and if such investments are now in excess of that sum, they shall be reduced as rapidly as the interests of the bank are deemed to justify, under the direction of the treasurer of the Philippine Islands.

13. Making loans upon vessels which are insured and free from encumbrance, provided such loans do not exceed half the value of the ship nor run for more than one year. Such loans shall not exceed ten per centum of the paid-up capital of the bank.

14. Making loans to firms and corporations established in the Philippine Islands, and which, in the opinion of the general board of directors, are of undoubted solvency, provided such loans shall not exceed ninety days in duration.

15. Undertaking on commission the purchase and sale of securities, and such other banking operations, under regulations established by the general board of directors, as may be within the incidental powers of a bank; but no powers shall be exercised which are not expressly granted by this act, if such exercise is prohibited by the governor-general of the Philippine Islands.

16. Preparing, issuing, and circulating bank notes under the provisions of this act.

#### ARTICLE VI.

The bank shall not make any loan or discount on the security of the shares of its own capital stock, nor be a purchaser or holder of any such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith; and stock so purchased or acquired shall be sold or disposed of at public or private sale within six months from the time it is acquired.

#### ARTICLE VII.

All notes and bills of exchange discounted by the bank must bear at least two signatures of known solvency, one of which must be a resident of the locality of the transaction, and must comply in other respects with the provisions of the Code of Commerce, except that such transactions may, with the approval of the president of the bank, be for a longer period than ninety days, and one signature may be dispensed with when loans are made on negotiable securities, as provided by paragraph eight of Article V.

Warrants or drafts drawn by the treasurer of the Philippine Islands or of the United States may be accepted without the signatures and conditions required in the case of private parties.

#### ARTICLE VIII.

The total liabilities to the bank of any person, or of any company, corporation, or firm for money borrowed, including in the liabilities of a firm the liabilities of the several members thereof, shall at no time exceed one-tenth of the amount of the

capital stock of the bank, actually paid in and unimpaired, and one-tenth part of its unimpaired surplus fund; but the discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or business paper actually owned by the person negotiating the same, shall not be considered as money borrowed.

#### ARTICLE IX.

Before making loans on precious metals, merchandise, and goods in warehouse, the value of the same shall be appraised by experts appointed by the officers of the bank, but the bank shall not be liable for any loss, damage, deterioration, or shortage of or to the merchandise so stored, except in cases arising from its default or negligence.

#### ARTICLE X.

All real property upon which mortgage loans are made must have a marketable title and be free from all encumbrances and liens.

Buildings, if city property, must be constructed of substantial material; and in all cases the buildings or improvements upon such real estate shall be insured to at least seventy-five per centum of their value, and no loans shall be made on real estate to an amount greater than fifty per centum of the value thereof.

#### ARTICLE XI.

Merchandise specified in a bill of lading upon which a loan is made by the bank must be consigned to such person as the bank shall designate at the place of destination, who may deduct the current commissions and charges, and shall comply with the orders of the shipper as to the sale or disposition of the property, and pay the proceeds thereof to the bank to the amount of its loan, charges, and expenses.

In case of loss of merchandise, the bank may proceed, at its option, against the shippers or carriers thereof for the amount of the loan, with all charges and expenses, or against the insurance company insuring the same for the amount of such insurance.

#### ARTICLE XII.

Upon deposits made in the bank of precious metals or merchandise, other than money in current account, the bank shall furnish to the depositor a certificate containing the following particulars:

1st. The name and domicile of the depositor, or of the authority ordering the deposit.

2nd. The nature and value of the deposit, and where it consists of bars or jewelry of gold or silver, the weight and specific qualities thereof.

3rd. The date of the deposit and the entry number in the proper books of the bank.

#### ARTICLE XIII.

The officers of the bank shall, within the limitations of this act, be exclusive judges as to the acceptance or refusal of drafts, notes, and bills of exchange submitted for discount, and of all applications for loans, and of other business transactions.

#### ARTICLE XIV.

The rates of interest on discounts and loans, on deposits, collections, mortgages, etcetera, shall be fixed every six months by the general board of directors, with the approval of the president of the bank, and such rates, if not contrary to law, shall be those charged in cases where no specific agreement is made, but the bank may change such rates, from time to time, upon notice of one week, and may make other rates by agreement of both parties. All expenses connected with the transactions, including the fees of appraisers, shall be charged to the borrower.

#### ARTICLE XV.

The bank may order the sale of collateral security in its custody, consisting of securities or merchandise, or any other thing, three days after having called upon the debtor, by written notice, to increase the amount of such security, if in the meantime he has failed to comply with such request, or after the maturity of a loan if the loan has not been paid. These sales shall be made at public auction, with the assistance of a notary or exchange agent or broker, and without the requirement of any judicial order or process; and in order to avoid delay or difficulty in the dis-

posal of such collateral security, and that the bank may accomplish the sale without interference on the part of the debtor, it shall set forth in the note or evidence of indebtedness that the collateral security given is to be considered as transferred to the bank without any further formality by the fact of delivery, under the conditions set forth therein.

All such securities registered in the name of the owner shall be transferred in due form to the bank, which shall issue therefor a receipt setting forth the terms of the delivery and the purposes for which such transfer has been made.

If the proceeds of the sale of such securities do not cover the full amount of the loan, together with interest and other charges thereon, the bank may proceed against the debtor for the difference, but any amount exceeding the full indebtedness to the bank shall be paid over to the debtor.

Parties obtaining loans on bills of lading must increase the amount of security with the bank whenever a fall of ten per centum takes place in the market value of the merchandise, and if upon maturity of the loan the amount has not been paid, or the vessel has not arrived with the merchandise constituting such security, the bank may, at its option, proceed against the debtor, or await the arrival of the vessel, in order to make a sale of such merchandise, with the understanding that if the bank shall elect the former remedy, such action shall not impair the right of the bank to proceed against the security itself at such time and in such manner as it may deem proper.

## TITLE II.—*Concerning capital stock and shares.*

### ARTICLE XVI.

The bank may increase the amount of its capital stock from time to time to a total amount not exceeding ten million pesos, by a vote of a majority in amount of the stock, at a meeting of the general assembly of the stockholders, by the bona fide sale of new stock for not less than par in cash, and such increase of capital shall be valid only when the whole amount of such increase shall be paid in, and notice thereof shall have been transmitted to the treasurer of the Philippine Islands, and his certificate obtained specifying the amount of such increase of capital stock, with his approval thereof, and that it has been duly paid in as part of the capital of the bank.

### ARTICLE XVII.

The existing capital and any increase of the same which may be made shall be represented by shares of the face value of two hundred pesos each.

### ARTICLE XVIII.

In case of an increase of the capital stock by authority of a general assembly of the stockholders, the shares shall be issued upon the payment in full of the price therefor, to be fixed by the bank, not less than two hundred pesos for each share, plus such percentage as corresponds to the ratio of the reserve funds or surplus then on hand and unimpaired to the aggregate amount of the capital after such increase of capital: *Provided, however,* That if the general assembly of stockholders, in order to facilitate the issue of shares amongst themselves, considers it advisable, it may resolve to transfer from the voluntary reserve fund to the legal reserve fund an amount necessary to make the latter correspond to the legal amount required by law.

### ARTICLE XIX.

The bank shall maintain a reserve fund or surplus of not less than fifteen per centum of its capital stock issued and outstanding, which fund shall be subject to the same obligations as capital, and shall be made up of the net profits resulting from the operations of the bank after deducting the dividends paid upon capital.

The bank may create an additional reserve fund for the purpose of distributing dividends when the amount actually earned in any year does not reach six per centum of the capital stock, but this fund shall not be applied to the increase of the capital stock of the bank.

### ARTICLE XX.

The ownership of the shares of the capital of the bank shall be recorded in the name of a person, corporation, or other legal entity in the register of the bank, and registered stock certificates shall be issued to the record owners thereof. New issues of capital shall be registered in the same manner, under regulations to be made by the general board of directors.

## ARTICLE XXI.

Shares of the capital stock may be transferred by a declaration made in person before a proper officer of the bank by the party transferring the same, or by someone having power of attorney to sign said register, upon first presenting to the bank the original certificate, for which, upon cancellation, a new certificate will be issued.

## ARTICLE XXII.

That the stockholders of the bank shall be subject to no other or additional liability than the amount which they shall have paid or bound themselves to contribute in payment for the shares standing in their names, not exceeding the face value of said shares, unless otherwise provided in the Code of Commerce.

## ARTICLE XXIII.

Stock in the bank may be held by persons and corporations without regard to domicile, and officers and directors may be chosen without regard to nationality, except that a majority of the board of directors shall be made up of citizens of the United States or of the Philippine Islands; but money in current account and securities and other articles of value deposited in the bank which is the property of foreigners, shall not be subject to attachment, confiscation, or seizure because of war between their respective nations, except as such processes would lie in the ordinary course of law against citizens of the United States or of the Philippine Islands.

TITLE III.—*Concerning the issue of circulating notes.*

## ARTICLE XXIV.

That the circulating notes of the bank shall hereafter be issued under the following limitations of amount and conditions:

(a) To a present amount not exceeding two million four hundred thousand pesos, which shall represent the paid-up and unimpaired capital of the bank and the value of the surplus as ascertained by the governor-general of the Philippine Islands; and in case such capital and surplus shall not, in the opinion of the governor-general of the Philippine Islands, be equal in value to the amount of circulation herein authorized, then said governor-general may require a contraction of such circulation until it shall not exceed the value of the capital and surplus of the bank, or the deposit with the treasurer of the Philippine Islands of commercial paper conforming to the statutes of the bank and acceptable to the governor-general, for any excess in the amount of circulation above the value of the capital and surplus as ascertained and determined by him: *Provided, however,* That as a condition precedent of issuing notes to the extent of the paid-up and unimpaired capital of the bank and the value of the surplus as ascertained by the governor-general as above permitted, said surplus shall be formally treated as a part of the capital of the bank and shares of stock issued therefor to the persons entitled thereto: *Provided,* That the price at which such shares of stock shall be sold shall have added thereto an amount which in equity will equalize between the old and the new shares of stock the interest in surplus. And said bank is hereby authorized to issue its circulating notes, secured by its capital as herein provided, in equal proportion with each increase of paid-in capital stock in cash, not exceeding nine million pesos; and all notes so issued shall be governed by the provisions of this section.

(b) To a present additional amount not exceeding six hundred thousand pesos upon deposit with the treasurer of the Philippine Islands of bonds of the United States, bonds or certificates of the government of the Philippine Islands, bonds of the city of Manila, stock or bonds of railways or mortgage banks upon which interest or principal has been guaranteed by the government of the Philippine Islands, or other securities acceptable to the governor-general of said Philippine Islands, and the percentage of circulation to be allowed upon the face value or market value of each of said class of securities shall be determined by said governor-general of the Philippine Islands. Such notes may be issued at the discretion of the bank, subject only to the condition that the securities deposited shall be acceptable in character and amount to the governor-general of the Philippine Islands, and without regard to whether issues have been made or applied for under other provisions of this act. And in case of the increase of the paid-up and unimpaired capital and surplus of the bank from two million four hundred thousand pesos to three million pesos the treasurer of the Philippine Islands shall deliver to the bank the securities deposited with them to cover circulating notes under this paragraph (b).

It being the intention that the total circulating notes issued under this act shall never exceed in amount nine million pesos, representing an equal amount of the paid-up and unimpaired capital of the bank.

## ARTICLE XXV.

All outstanding notes of the bank shall, after January first, nineteen hundred and eight, constitute a preferred lien upon the assets of the bank, except as to such securities as have been specifically deposited under special agreements with public officials for the safe-keeping of public moneys; and any bonds or other securities deposited with the treasurer of the Philippine Islands, as hereinbefore provided, for the security of the circulating notes of the bank, shall be held exclusively for that purpose until such notes shall be redeemed; but the treasurer of the Philippine Islands shall give to the bank powers of attorney to receive and appropriate to its own use the interest and dividends on such securities in the custody of said treasurer; but such powers shall become inoperative whenever the bank shall fail to redeem its circulating notes, and said treasurer of the Philippine Islands, under regulations prescribed by the governor-general, may permit or require an exchange to be made of any of the securities in his custody.

## ARTICLE XXVI.

The bank shall be held to renounce all claim to the exclusive privilege of issuing notes in the Philippine Islands, or to any other exclusive privilege not set forth in this act; but no laws or regulations shall be made or enforced affecting the bank, or imposing charges or taxation upon it, which shall not apply equally to other banks of a similar type operating under similar conditions, and no bank shall be authorized to issue circulating notes in the Philippine Islands with a paid-up capital less than two million pesos; but this provision shall not preclude the government from granting special privileges to agricultural banks, savings banks, mortgage banks, or other institutions of special types whose principal business is not commercial banking.

## ARTICLE XXVII.

That the treasurer of the Philippine Islands, and all assistant treasurers and provincial and municipal treasurers and other public officials shall be directed to receive the circulating notes of the bank for public dues so long as said circulating notes are paid in the lawful money of the Philippine Islands or of the United States, without discount and on demand, at the bank and its branches.

## ARTICLE XXVIII.

That the notes issued under the provisions of paragraph (a) of Article XXIV of this act shall pay a tax at the rate of one-half of one per centum per annum; and the notes temporarily issued under the provisions of paragraph (b) of said Article XXIV of this act shall pay a tax at the rate of one per centum per annum, such taxes to be assessed upon the amount of notes actually in circulation and not held in the bank or its branches, at fixed intervals not less frequently than once a month, to be determined by regulations made by the treasurer of the Philippine Islands: *Provided*, That these taxes of one-half of one per centum and one per centum shall not be increased during the term of twenty-five years mentioned in Article II hereof.

## ARTICLE XXIX.

That whenever the bank desires to withdraw circulating notes which are not in its possession, it may deposit with the treasurer of the Philippine Islands in the lawful money of the Philippine Islands or of the United States an amount equal to the face value of the circulating notes which are to be withdrawn and retired, and if such notes are represented by securities in the custody of said treasurer, he may surrender such portion of said securities as, in his opinion, will represent a just proportion of the securities held to secure circulating notes, and thereupon the taxes imposed by this act upon circulating notes shall cease upon an amount thereof equal to the amount of lawful money deposited, and such lawful money shall be repaid from time to time to the bank upon the presentation and surrender to said treasurer of the Philippine Islands of notes which have been received or redeemed.

## ARTICLE XXX.

That the circulating notes of the bank may be issued in denominations of five pesos, ten pesos, twenty pesos, fifty pesos, one hundred pesos, and two hundred pesos, and shall express upon their face the promise of the bank to redeem them on demand in lawful money of the Philippine Islands or of the United States, attested by the signatures of the president or vice-president and cashier.

## ARTICLE XXXI.

That the bank shall at all times have on hand, in lawful money of the Philippine Islands or of the United States, an amount equal in value to at least twenty-five per centum of the aggregate amount of its notes in circulation, and in addition thereto twenty per centum of its deposits in current accounts which are payable on demand: *Provided, however,* That this requirement shall not apply to the notes issued under paragraph (b), Article XXIV above.

## ARTICLE XXXII.

That the circulating notes of the bank shall hereafter be issued to the bank by the treasurer of the Philippine Islands, who shall make requisitions upon the Bureau of Insular Affairs at Washington for such a supply as may be necessary to anticipate reasonable demands, and he shall keep such notes in his custody in the treasury of the Philippine Islands; but said notes shall not have validity as currency until the seal of the bank and the signatures of its officers duly authorized to perform such functions are attached.

TITLE IV.—*Concerning the powers of the general assembly of the stockholders.*

## ARTICLE XXXIII.

The stockholders of the bank shall be represented at its general assembly by those among them who are owners of, or who represent, at least ten shares of the capital stock registered in their names at least two months before the meeting as shown by the registered list of stockholders.

Stockholders may be represented at general meetings by proxies designated by them, but the appointment of such proxies shall be valid only when proper power of attorney is executed before a notary public.

Stockholders not possessing full legal capacity, as married women, minors, et cetera, or possessing the character of corporations, associations, or other legal entities, shall be represented at the general meetings and in all other matters relating to the bank by their legal representatives.

## ARTICLE XXXIV.

One vote in the general assembly of the stockholders shall be allowed each ten shares of the capital of the bank actually represented by the owner thereof or by duly authorized proxy.

## ARTICLE XXXV.

The general assembly of the stockholders of the bank shall be held on the second Tuesday of February in each year, and may be adjourned from day to day until its business is concluded.

## ARTICLE XXXVI.

The general assembly of the stockholders shall have the following powers:

1. To elect the president, the vice-presidents, and the members of the general board of directors, and to fix the salaries which the president and vice-president shall receive.
2. To inform themselves of the condition of the bank through a report presented annually, or oftener, by the general board of directors, and through the annual general balance sheet.
3. To act on recommendations made by the general board of directors relating to the interests of the bank, in conformity with the statutes and by-laws.
4. Any member of the general assembly of the stockholders may present to said general assembly in writing such suggestions as he may deem proper for the welfare of the bank, but such recommendations shall not be acted upon until the next following meeting, nor until the general board of directors has passed upon them.
5. To authorize the increase of the capital stock and prescribe the manner and conditions under which it shall be made, subject to the provisions of this act.
6. To exercise any other powers expressly granted by or reasonably to be implied from these statutes and the by-laws of the bank, and not in conflict with this act.

## ARTICLE XXXVII.

A general assembly of the stockholders of the bank may be convened in extraordinary session whenever the number of members of the general board of directors has been so reduced as to make it impossible for the members thereof to perform their duties, or whenever five members of the general board of directors shall so request, and the object of such meeting shall be stated in the call.

## ARTICLE XXXVIII.

The election of the president, vice-presidents, and directors of the bank shall be by secret ballot and by absolute majority of votes.

TITLE V.—*Powers of the board of directors.*

## ARTICLE XXXIX.

The direction of the bank shall be under the control of a general board of directors, who shall choose a cashier, and such other officers as they may deem expedient, and said general board of directors may fix the salaries of such officials at such amounts as they may deem proper.

## ARTICLE XL.

The general board of directors of the bank shall be composed of the president and vice-presidents as *ex officio* members, and of the directors, all of whom shall be chosen annually by the general assembly of stockholders. The number of vice-presidents shall be determined by the general assembly of stockholders, but shall not exceed five; the number of directors shall likewise be determined by the general assembly of stockholders, but may not exceed fifteen nor be less than eight. Members of the general board of directors shall be eligible for reëlection.

## ARTICLE XLI.

There may be elected by the general assembly of the stockholders, at its discretion, associate directors of branches in the Philippine Islands, in the United States, or in foreign countries, who shall, under regulations made by the general board of directors, meet separately from said general board to consider matters relating to the interests of the branch for which they are elected; but their action shall be advisory only and shall be subject to the approval of the general board of directors at Manila. Such associate directors may or may not, in the discretion of the general assembly, be required to be stockholders in the bank, and shall be subject to removal or termination of their functions at any time upon vote of said general assembly.

## ARTICLE XLII.

Each member of the general board of directors, in order to be eligible as a member, shall deposit with the bank, in trust, before assuming his duties, not less than ten shares of the stock of the bank registered in his name. Each such director, when appointed or elected, shall take an oath that he will, so far as the duty devolves upon him, diligently and honestly administer the affairs of the bank, and that he will not knowingly violate, or willingly permit to be violated, any of the provisions of this act, which oath, subscribed by himself, and certified by the officer before whom it is taken, shall be immediately transmitted to the treasurer of the Philippine Islands and by him filed and preserved in his office.

## ARTICLE XLIII.

Members of the board of directors, except the president and vice-presidents of the bank, shall be entitled to a fee for attendance at meetings of said board, which shall be fixed by the general board, but shall not exceed twenty-five pesos.

## ARTICLE XLIV.

The duties of the general board of directors shall be as follows:

1. To supervise the issue and transfer of certificates of stock, and establish regulations therefor.
2. To determine from time to time the number and amount of circulating notes to be issued under the provisions of this act.
3. To fix the rate of discounts and loans.
4. To prepare confidential lists of the firms and corporations to which it considers discounts may properly be accorded, fixing the amount of credit to be extended to each.
5. To appoint agents and correspondents and to designate the points where they are to be stationed.
6. To authorize the establishment of branch banks at such points as will serve the public interest and that of the bank, in accordance with Article IV of these statutes.
7. To ratify, if satisfactory to it, transactions between the bank and the government and other current transactions.
8. To take care that in all the offices of the bank the statutes, by-laws, orders, and resolutions in force are strictly observed.
9. To examine and consider, at each regular meeting, the transactions of the officers of the bank and the operations of the bank.
10. To elect the secretary and cashiers of the bank.
11. To appoint, on recommendation of the officers of the bank, bookkeepers and minor employees of the bank and of its branches.
12. To remove or suspend employees of the bank, with or without the recommendations of the officers.
13. To draw up the annual report concerning the operations of the bank, which shall be read at the general assembly of the stockholders.
14. To examine and audit the accounts submitted by the officers and to approve the general balance sheet.
15. To declare semiannually, in accordance with such balance sheet and the state of the voluntary reserve fund, the dividend to be paid to the stockholders.
16. To examine into and take under advisement recommendations made by stockholders in general assembly for the welfare of the bank, and to present the same, with their report thereon, to the next general assembly.
17. To make of its own motion to said general assembly all suggestions which it deems proper for the advantage of the bank.

## ARTICLE XLV.

No action shall be taken at the sessions of the general board of directors except when a majority is present.

## ARTICLE XLVI.

Resolutions of the general board of directors must be passed by the votes of a majority of the members present.

## ARTICLE XLVII.

The secretary of the bank shall be present at all the sessions of the general board of directors, without voice or vote, and shall draw up the minutes, which shall be signed by the president and the secretary himself.

TITLE VI.—*Concerning the officers of the bank.*

## ARTICLE XLVIII.

The administration of all the affairs of the bank and the control of its operations shall be in charge of the president, assisted by the vice-president or vice-presidents, and a secretary, who shall perform such duties as the president may direct.

## ARTICLE XLIX.

The officers of the bank shall receive, in addition to their salaries, the compensation hereinafter set forth, which shall be divided as prescribed by the general board of directors.

## ARTICLE L.

The powers of the president of the bank shall be:

1. To direct all the operations of the bank and to give orders and instructions to all the employees thereof who are to take part in said operations.
2. To execute all contracts entered into on behalf of the bank, and to perform all other duties customarily incident to his office.
3. To authenticate by his signature all administrative acts and obligations and documents issued by the bank.
4. To consider and pass upon applications for discounts and loans.
5. To institute and prosecute, in the name of the bank, all judicial proceedings that may be necessary for the collection of debts due to the bank and for the preservation of its rights.
6. To make recommendations to the general board of directors in regard to transactions not provided for by these statutes.
7. To recommend to the general board of directors the appointment of all subordinate employees and servants of the bank.
8. To supervise and direct the conduct of the employees of the bank in the performance of their duties, and to temporarily suspend for just cause those who are delinquent therein, with the exception of those elected by the general assembly of stockholders and by the general board of directors, who can only be suspended by the latter.
9. To call the regular general assemblies of the stockholders and such extraordinary general assemblies as may be requested by a sufficient number of the general board of directors.
10. To convene the general board of directors in extraordinary session whenever he deems it necessary, either upon his own motion or at the request of any three members of said board.
11. To preside at general assemblies of the stockholders and meetings of the general board of directors, with a vote.
12. To make visits of inspection to the offices of the bank, and to address to the general board of directors such recommendations as he may deem proper concerning its condition.
13. To verify the monthly balance sheet and to sign his approval of the same in the records of the bank.
14. To sign stock certificates and to certify by his signature notes issued payable to bearer.
15. To examine the report to be made to the general assembly relative to the condition of the bank, and to approve the same before it is read to the meeting, satisfying himself in advance of the correctness of its contents.

## ARTICLE LI.

That in the absence or disability of the president, the vice-presidents, in the order designated by the general board of directors, shall exercise the powers herein granted to the president.

## ARTICLE LII.

In the case of any judicial proceedings other than for the collection of obligations to the bank, the officers must obtain the approval of the general board of directors before acting therein.

## ARTICLE LIII.

The officers shall be personally accountable to the bank for all operations carried on by them beyond their powers or contrary to the statutes, by-laws, and regulations of the bank.

TITLE VII.—*General provisions.*

## ARTICLE LIV.

It shall be lawful for the bank to purchase, hold, and convey real estate as follows:

1. Such as shall be necessary for its immediate accommodation in the transaction of its business.
2. Such as shall be mortgaged to it in good faith by way of security for debts previously contracted.
3. Such as shall be conveyed to it in satisfaction of debts previously contracted in the course of its dealings, under the limitations hereinbefore imposed.

4. Such as it shall purchase at sales under judgments, decrees, or mortgages held by the bank, or shall purchase to secure debts due to it.

The bank shall not purchase or hold real estate in any other case, or for any other purpose than as specified in this article, nor shall it hold for a longer period than five years the possession of any real estate under mortgage or the title and possession of any real estate purchased to secure any debts due to it.

#### ARTICLE LV.

The profits or net earnings resulting from the operations of the bank, after deducting the expenses of administration, and such portion as corresponds to the legal reserve fund, shall be applied as follows: Four per centum to the executive officers of the bank to be divided according to regulations prescribed by the general board of directors; five per centum to the members of the general board of directors, to be distributed in the manner provided in the by-laws. The remaining ninety-one per centum shall belong to the stockholders, but may be added to the regular or special reserve funds, or distributed as dividends at a fixed pro rata amount according to the number of shares.

#### ARTICLE LVI.

The distribution of dividends shall be made at least once in each six months, when in the judgment of the general board of directors, earnings justify the declaration of a dividend. Should the profits not exceed seven per centum per annum on the par value of each share, the entire amount shall be distributed; should there be an excess over said seven per centum, it shall be divided two-thirds to the stockholders and one-third to the legal reserve fund mentioned in Article XIX, until said reserve fund shall amount to not less than twenty-five per centum of the capital stock; after which any surplus shall be divided amongst the stockholders, in whole or in part, or may be used for the creation of the voluntary reserve fund also mentioned in said article, as the general board of directors may deem best.

#### ARTICLE LVII.

Dividends declared and not called for within three years following the date upon which they are due and payable shall draw the interest specified for voluntary deposits in money, commencing from the expiration of said period.

#### ARTICLE LVIII.

No information shall be furnished by the bank concerning the funds in its custody in a current account, or on deposit, belonging to a given person, corporation, or other legal entity, except under authority of an order of the governor-general or of a court with jurisdiction.

#### ARTICLE LIX.

That the treasurer of the Philippine Islands, provincial and municipal treasurers, and other authorized public officials shall, from time to time, deposit with the bank and its branches, upon such terms as may be prescribed by the government of the Philippine Islands, such public moneys and trust funds as may be available for this purpose, without discrimination against the bank or in favor of other institutions; but this clause shall not bind such officials to make or maintain such deposits when, in their opinion, it is unadvisable.

#### ARTICLE LX.

The balance sheet provided for in article one hundred and fifty-seven of the code of commerce shall be drawn up and published monthly, and the bank and its branches shall make to the treasurer of the Philippine Islands not less than five reports during each and every year, according to the form which may be prescribed by him, verified by the oath or affirmation of the president or cashier of the bank and attested by the signature of at least three of the directors; which report shall exhibit, in detail, and under appropriate heads, the resources and liabilities of the bank at the close of business on any past day specified by said treasurer, and shall transmit such report to him within ten days after the receipt of a request or requisition therefor from him; and the report above required, in the same form in which it is made to the treasurer, shall be published, at the expense of the bank, in a newspaper in the city of Manila; and the treasurer of the Philippine Islands shall have power to call for special reports of the

condition of the bank and its branches whenever in his judgment the same shall be necessary in order to a full and complete knowledge of its conditions. Failure to make and transmit such a report shall render the bank liable to a penalty of one hundred pesos for each day after ten days that said bank or any of its branches shall delay to make and transmit any report as aforesaid; these reports shall be in lieu of the quarterly reports prescribed by section one of act numbered fifty-two of the Philippine Commission of November twenty-third, nineteen hundred, which quarterly reports shall no longer be required from the bank.

#### ARTICLE LXI.

That the government of the Philippine Islands renounces all rights which it may have derived under Spanish law to appoint the governor and other officers of the bank or to interfere in any way with its administration, except to make examination of its solvency and supervise its conduct in the interest of the public in the same manner as such examination and supervision are or may be exercised over national banks in the United States and as prescribed by the laws of the Philippine Islands.

#### ARTICLE LXII.

That the government of the Philippine Islands renounces all right and title derived from Spanish law and existing statutes of the bank to a loan of any money to the treasury of the Philippine Islands.

#### TITLE VIII.—*Dissolution and winding up of the bank.*

##### ARTICLE LXIII.

The bank shall be dissolved, (1) upon the expiration of its legal term unless legally extended in accordance with the provisions of this act, (2) upon the loss of one-half of the capital subscribed, in which case the general board of directors shall immediately call, within as short a period as possible, an extraordinary general assembly of the stockholders to report the condition of the bank.

The general board of directors may direct that the bank shall continue, in which case it may determine the necessary steps to be taken to fix the status of the bank, provided those present and voting represent two-thirds of the capital.

##### ARTICLE LXIV.

A dissolution having been decided upon, the winding up of the bank's affairs shall be in charge of the general board of directors then in office, unless said general board shall determine to appoint receivers, in which case said receivers shall receive such compensation as said general board may direct.

##### ARTICLE LXV.

While the winding up of the affairs of the bank continues, the powers of the general board shall remain intact.

The board shall specially have the power to approve the accounts of the receivership and to give a discharge.

The amount realized, after paying the debts and expenses of the bank, shall be distributed *pro rata* among the stockholders.

##### ARTICLE LXVI.

That nothing in this act shall be held to prevent the exercise by the governor-general and the treasurer of the Philippine Islands of the powers conferred upon them by act numbered five hundred and fifty-six of the Philippine Commission, enacted December ninth, nineteen hundred and two, or such amendments of that act as may have been enacted or as may hereafter be enacted.

Sec. 2. The public good requiring the speedy enactment of this bill, the passage of the same is hereby expedited in accordance with section two of "An act prescribing the order of procedure by the commission in the enactment of laws," passed September twenty-sixth, nineteen hundred.

Sec. 3. This act shall take effect upon the filing with the executive secretary by the general board of directors of the Banco Espanol-Filipino of the written acceptance by the bank of the provisions hereof.

Enacted, October 12, 1907.

[No. 1826. C. B. No. 14. First Philippine legislature, first session.]

AN ACT To provide for the granting of a franchise to construct, maintain, and operate telephone and telegraph systems, and to carry on other electrical transmission business in and between the provinces of Albay and Ambos Camarines and in and between the municipalities thereof.

*By authority of the United States, be it enacted by the Philippine legislature, that:*

SECTION 1. There is hereby granted for a period of fifty years from and after the passage of this act, upon the considerations and conditions herein contained, to Charles W. Carson and his successors or assigns, the right and privilege to construct, maintain, and operate in and between the provinces of Albay and Ambos Camarines and in and between the municipalities thereof a telephone and telegraph system, to carry on the business of transmitting messages and signals by means of electricity in and between said provinces and municipalities and for the purpose of operating said telephone and telegraph system and of transmitting messages and signals by means of electricity, to construct telephone and telegraph lines in and between said provinces and municipalities, to construct, maintain, and operate and use all apparatus, conduits, and appliances necessary for the electrical transmission of messages and signals, to erect poles, string wires, build conduits, lay cables, and to construct, maintain, and use such other approved and generally accepted means of electrical conduction in, on, over, or under the public roads, highways, lands, bridges, streets, lanes, alleys, avenues, and sidewalks of said provinces and municipalities as may be necessary and best adapted to the transmission of messages and signals by means of electricity: *Provided, however,* That all poles erected and all conduits constructed or used by the grantee, his successors or assigns, shall be located in places designated by provincial or municipal authorities, as the case may be, and poles shall be straight and smooth and erected and painted in a good, substantial, and workmanlike manner to the satisfaction of such authorities, but it shall not be obligatory on the grantee, his successors or assigns, to paint poles except in centers of population or *poblaciones* of municipalities: *And provided further,* That said poles shall be of such a height and the wires or conductors strung or used by said grantee, his successors or assigns, shall be so placed and safeguarded as to prevent danger to life or property by reason of contact with electric light, power, or street-railway wires or conductors: *And provided further,* That upon reasonable notice and by resolution of the proper insular, provincial, or municipal authorities, the grantee, his successors or assigns, may be required to relocate poles or remove or raise wires or other conductors so as to permit the passage of buildings or other structures from one place to another, one-half the actual cost of such relocation of poles or raising or removal of wires or other conductors to be paid by the person at whose instance the building or structure is moved; and, at the expense of the grantee, his successors or assigns, to relocate conduits, poles, and wires and to raise or remove wires or other conductors when the insular government or any provincial or municipal government declares that the public interest so requires: *Provided, however,* That from any order or regulation of a provincial or municipal government requiring the grantee, his successors or assigns, to relocate conduits, poles, or wires or to raise or remove wires or other conductors, the said grantee, his successors or assigns, shall have the right of appeal to the governor-general, whose decision in the matter shall be final and conclusive.

Should the grantee, his successors or assigns, fail, refuse, or neglect within a reasonable time to relocate his or their poles, conduits, wires, or other conductors or to raise his or their wires or other conductors when so directed by the proper insular, provincial, or municipal authorities, then said authorities may relocate said poles, conduits, wires, or other conductors or raise said wires or other conductors at the expense of the grantee, his successors or assigns: *And provided further,* That the installation of all instruments, the inside wiring, and all outside construction work shall be done in accordance with the rules, regulations, or ordinances covering electrical work adopted by the insular, provincial, or municipal authorities: *And provided further,* That whenever twenty-five or more pairs of open wires or other conductors are carried on one line of poles in any city or municipal center, said wires or conductors shall be placed in one cable and that whenever more than two hundred and fifty pairs of wires or other conductors in cables are carried on one line of poles, said cables shall be placed underground by the grantee, his successors or assigns, whenever ordered so to do by the proper insular, provincial, or municipal authorities: *And provided further,* That the poles erected, wires and cables strung, or conduits laid by virtue of this franchise shall be so placed as not to impair the efficient and effective transmission of messages or signals by any other company whose poles are erected, whose wires and cables are strung, or whose conduits are actually laid at the time that poles are to be erected, wires and cables are to be strung, or conduits are to be laid under and by virtue of this franchise.

SEC. 2. For the purpose of erecting and maintaining poles or other supports for said wires or other conductors, or for the purpose of laying and maintaining underground said wires, cables, or other conductors, it shall be lawful for the grantee, his successors or assigns, under such regulations and orders as may be prescribed by insular, provincial, or municipal authorities, to make excavations and lay conduits in any of the public places, lands, roads, highways, streets, lanes, alleys, avenues, bridges, or sidewalks in or between the said provinces or municipalities: *Provided, however,* That any public place, road, highway, street, lane, alley, avenue, bridge, or sidewalk disturbed, altered, or changed by reason of the erection of poles or other supports, or the laying underground of wires or other conductors or of conduits shall, wherever disturbed altered, or changed, be repaired and replaced in a good, substantial, and workmanlike manner by said grantee, his successors or assigns, to the satisfaction of the insular, provincial, or municipal authorities, as the case may be. Should the grantee, his successors or assigns, after reasonable written notice from said authorities, fail, refuse, or neglect to repair and replace in a good, substantial, and workmanlike manner, to the satisfaction of said insular, provincial, or municipal authorities, any part of a public place, road, highway, street, lane, alley, avenue, bridge, or sidewalk altered, changed, or disturbed by said grantee, his successors or assigns, then the insular, provincial, or municipal authorities, as the case may be, shall have the right to have the same properly repaired and placed in good order and condition at the cost and expense of the grantee, his successors or assigns.

SEC. 3. All telephone and telegraph lines and systems for the transmission of messages and signals by means of electricity owned, maintained, or operated by the grantee, his successors or assigns, shall be maintained and operated at all times in a complete, modern, and first-class style as understood in the United States, and it shall be the further duty of said grantee, his successors or assigns, to modify, improve, and change such telephone and telegraph system, or systems, for the transmission of messages and signals by means of electricity, in such manner and to such extent as the progress of science and improvements in the method of transmission of messages and signals by means of electricity may make reasonable and proper.

SEC. 4. The grantee, his successors or assigns, shall keep a separate account of the gross receipts of the telephone, telegraph, and electrical transmission business transacted by him in each of the municipalities of the provinces of Albay and Ambos Camarines, and shall furnish to the insular auditor and the insular treasurer a copy of such account not later than the thirty-first day of July of each year for the twelve months preceding the first day of July. For the purpose of auditing the accounts so rendered to the insular auditor and the insular treasurer all of the books and accounts of the grantee, his successors or assigns, shall be subject to the official inspection of the insular auditor or his authorized representatives, and in the absence of fraud or mistake the audit and approval by the insular auditor of the accounts so rendered to him and to the insular treasurer shall be final and conclusive evidence as to the amount of said gross receipts.

SEC. 5. The grantee, his successors or assigns, shall be liable to pay the same taxes on his or their real estate, buildings, and personal property, exclusive of this franchise, as other persons or corporations are now or hereafter may be required by law to pay. In addition, the grantee, his successors or assigns, shall pay to the insular treasurer each year, within ten days after the audit and approval of the accounts as prescribed in section four of this act, two per centum of all gross receipts of the telephone, telegraph, or other electrical transmission business transacted under this franchise by the grantee, his successors or assigns, and the said percentage shall be in lieu of all taxes on the franchise or earnings thereof.

SEC. 6. As a guaranty that the franchise has been accepted in good faith and that within six months from the date of the passage of this act the grantee or his successors or assigns will begin the business of transmitting messages by telephone and will be fully equipped and ready to operate according to the terms of this franchise fifty telephones in the province of Albay and fifty telephones in the province of Ambos Camarines, the said grantee shall deposit at the time of such acceptance, with the insular treasurer, one thousand pesos, or negotiable bonds of the United States or other securities approved by the secretary of commerce and police of the face value of one thousand pesos: *Provided, however,* That if the deposit is made in money the same shall be deposited at interest in some interest-paying bank approved by the secretary of commerce and police, and all interest accruing and due on such deposit shall be collected by the insular treasurer and paid to the grantee, his successors or assigns, on demand: *And provided further,* That if the deposit made with the insular treasurer be negotiable bonds of the United States, or other interest-bearing securities approved by the secretary of commerce and police, the interest on such bonds or securities shall be collected by the insular treasurer and paid over to the grantee, his successors or assigns, on demand.

Should the said grantee, his successors or assigns, for any other cause than the act of God, the public enemy, usurped or military power, martial law, riot, civil commotion, or inevitable cause fail, refuse, or neglect to begin within two months from the date of the passage of this act the business of transmitting messages by telephone, or fail, refuse, or neglect to be fully equipped and ready to operate within six months from the date of the passage of this act fifty telephones in the province of Albay and fifty telephones in the province of Ambos Camarines, according to the terms of this franchise, then the deposit prescribed by this section to be made with the insular treasurer, whether in money, bonds, or other securities, shall become the property of the insular government as liquidated damages caused to such government by such failure, refusal, or neglect, and thereafter no interest on said bonds or other securities deposited shall be paid to the grantee, his successors or assigns. Should the said grantee, his successors or assigns, begin the business of transmitting messages by telephone and be ready to operate fifty telephones in the province of Albay and fifty telephones in the province of Ambos Camarines according to the terms of this franchise within six months from the date of the passage of this act, then and in that event the deposit prescribed by this section shall be returned by the insular government to the grantee, his successors or assigns: *Provided, however,* That all the time during which the grantee, his successors or assigns, may be prevented from carrying out the terms and conditions of this franchise by any of said causes shall be added to the time allowed by this franchise for compliance with its provisions.

Sec. 7. The books and accounts of the grantee, his successors or assigns, shall be subject to official inspection at any and all times by the insular auditor or his authorized representatives.

Sec. 8. The rights herein granted shall not be exclusive, and the right and power to grant to any corporation, association, or person other than the grantee franchises, for the telephonic, telegraphic, or electrical transmission of messages or signals shall not be impaired or affected by the granting of this franchise: *Provided*, That the poles erected, wires strung, or conduits laid by virtue of any franchise for telephone, telegraph, or other electrical transmission of messages and signals granted subsequent to this act shall be so placed as not to impair the efficient and effective transmission of messages or signals under this franchise by means of poles erected, wires strung, or conduits actually laid and in existence at the time of the granting of said subsequent franchise: *And provided further*, That the grantee of this franchise, his successors or assigns, may be required by the governor-general to remove, relocate, or replace his poles, wires, or conduits, but in such case the reasonable cost of the removal, relocation, or replacement shall be paid by the grantees of the subsequent franchise or their successors or assigns to the grantees of this franchise or their successors or assigns.

Sec. 9. The grantee of this franchise, his successors or assigns, shall hold the insular, provincial, and municipal governments harmless from all claims, accounts, demands, or actions arising out of accidents or injuries, whether to property or to persons, caused by the construction or operation of the telephone, telegraph, or other electrical transmission system of the said grantee, his successors or assigns.

Sec. 10. The municipalities of the provinces of Albay and Ambos Camarines in which the grantee, his successors or assigns, may establish telephone, telegraph, or any other system of electrical transmission of messages and signals, shall have the privilege of using, without compensation, the conduits and poles of the grantee, his successors or assigns, for the purpose of installing, maintaining, and operating a fire and police telegraph or telephone alarm system, but the wires of such fire and police telegraph or telephone alarm system shall be so placed, strung, stretched, and insulated as not to interfere with the efficient transmission of messages and signals by the grantee, his successors or assigns.

Sec. 11. Within thirty days after the passage of this act the grantee shall file with the secretary of commerce and police his written acceptance of the franchise granted by this act and of all the terms and conditions thereof, and the grantee shall begin the construction of his telephone system in the provinces of Albay and Ambos Camarines within two months from the date of such acceptance and shall begin the business of transmitting messages by telephone and be fully equipped and ready to operate at least fifty telephones in the province of Albay and at least fifty telephones in the province of Ambos Camarines within six months from the date of the passage of this act unless prevented by act of God, the public enemy, usurped or military power, martial law, riot, civil commotion, or inevitable cause.

The failure, refusal, or neglect to comply with any of the terms and conditions required of the grantee, his successors or assigns, by this act, shall subject the franchise to forfeiture unless such failure, refusal, or neglect was directly and primarily caused

by act of God, the public enemy, usurped or military power, martial law, riot, civil commotion, or inevitable cause.

Sec. 12. The grantee, his successors or assigns, shall be entitled to charge such rates as may from time to time be previously approved by the board of rate regulation created by act numbered seventeen hundred and seventy-nine, entitled "An act to create a board for the regulation of rates chargeable by public-service corporations in the Philippine Islands, and for other purposes." No subscribers for telephones authorized by this act shall be obliged to purchase instruments or to make any deposit whatever for telephone installation.

Sec. 13. The right is hereby reserved to the government of the Philippine Islands to regulate the rates to be charged by the grantee, his successors or assigns, but any rates which shall be fixed shall be sufficient to yield a reasonable return to the grantee, his successors or assigns, upon the capital invested after making due allowance for maintenance, operation, and other necessary expenses.

Sec. 14. The grantee may transfer, sell, or assign this franchise to any corporation formed, organized, or existing under the laws of the Philippine Islands or of any State or Territory of the United States, and such corporation shall have the right to buy and to own said franchise, but the grantee shall not sell, transfer, or assign this franchise to any other person, firm, company, corporation, or other commercial or legal entity without the written approval of the governor-general first had. Any corporation to which this franchise may be sold, transferred, or assigned shall be subject to the corporation laws of the Philippine Islands now existing or hereafter enacted, and any person, firm, company, corporation, or other commercial or legal entity to which this franchise is sold, transferred, or assigned shall be subject to all the conditions, terms, restrictions, and limitations of this franchise as fully and completely and to the same extent as if the franchise had been originally granted to the said person, firm, company, corporation, or other commercial or legal entity.

Sec. 15. This franchise, or concession, is granted subject to amendment, alteration, or repeal by the Congress of the United States; no stock or bonds shall be issued by the grantee, his successors or assigns, hereunder, except in exchange for actual cash or for property at a fair valuation equal to the par value of the stock or bonds so issued, and said grantee, his successors or assigns, shall not declare any stock or bond dividend. No private property shall be taken for any purpose under this franchise without just compensation paid or tendered therefor, and any authority to take and occupy land shall not authorize the taking, use or occupation of any land except such as is required for the actual necessary purposes for which this franchise is granted. All lands, or rights of use and occupation of lands, granted to the grantee, his successors or assigns, shall, upon the termination of this franchise or upon its revocation or repeal, revert to the insular government or to the provincial or municipal government to which such lands or the right to use and occupy them belonged at the time the grant thereof or the right to use or occupy the same was conceded to the grantee, his successors or assigns.

The foregoing and all other terms and provisions of section seventy-four of the act of Congress approved July first, nineteen hundred and two, which are applicable to grantees of franchises or concessions, or to their successors or assigns, are incorporated into and made a part hereof, with the same effect as if they were set forth herein at length.

Sec. 16. This act shall take effect on its passage.

Enacted, May 20, 1908.

[Joint Resolution No. 17. C. J. R. No. 11. First Philippine legislature, second session.]

Approving, ratifying, and confirming the acceptance by Charles W. Carson of the franchise granted him in act numbered eighteen hundred and twenty-six and receiving and considering said acceptance as a good and sufficient compliance with the terms of said act.

*Resolved by the Philippine Commission and the Philippine assembly, That the acceptance of Charles W. Carson of the franchise granted him in and by act numbered eighteen hundred and twenty-six to construct, maintain, and operate in and between the provinces of Albay and Ambos Camarines and in and between the municipalities thereof a telephone and telegraph system, which said acceptance bears date of July sixteenth, nineteen hundred and eight, is hereby ratified and declared to be sufficient to confirm the grant of said franchise for all purposes of said act numbered eighteen hundred and twenty-six.*

Adopted, May 19, 1909.

[No. 1947. A. B. No. 446. First Philippine legislature, second session.]

AN ACT To ratify and confirm certain mining concessions granted under royal decrees of the Kingdom of Spain, to amend the terms and conditions of said concessions, and to provide for their registration.

*By authority of the United States, be it enacted by the Philippine legislature, that:*

SECTION 1. The royal concessions granted by the Kingdom of Spain and hereinafter enumerated, which were issued and perfected under and by virtue of the royal decree of May fourteenth, eighteen hundred and sixty-seven, and by the royal decrees supplementary thereto and amendatory thereof, in favor of the persons hereinafter named, prior to the transfer of the sovereignty of Spain in these islands to the United States of America, are hereby ratified and confirmed with regard to the grantees therein named, their successors and assigns, ad perpetuam, as hereinafter set forth: Concession of the mine denominated "Nueva California Primera," of January eighth, eighteen hundred and ninety-seven, in favor of Martín Buck and Joaquín Casanovas, comprising four claims of sixty thousand square meters each, situate at Paracale, province of Ambos Camarines; concession of the mine denominated "Nueva California Segunda," of January twenty-ninth, eighteen hundred and ninety-seven, in favor of Martín Buck and Joaquín Casanovas, comprising four claims of sixty thousand square meters each, situate at Paracale, province of Ambos Camarines; concession of the mine denominated "Nueva California Tercera," of January fifteenth, eighteen hundred and ninety-seven, in favor of Martín Buck and Joaquín Casanovas, comprising four claims of sixty thousand square meters each, situate at Paracale, province of Ambos Camarines; concession of the mine denominated "Nueva California Quinta," of January twenty-ninth, eighteen hundred and ninety-seven, in favor of Martín Buck and Joaquín Casanovas, comprising four claims of sixty-thousand square meters each, situate at Paracale, province of Ambos Camarines; concession of the mine denominated "Germania," of January eighth, eighteen hundred and ninety-seven, in favor of Martín Buck and Joaquín Casanovas, comprising four claims of sixty thousand square meters each, situate at Paracale, province of Ambos Camarines; concession of the gold mine denominated "Magallanes," of January eighth, eighteen hundred and ninety-seven, in favor of Martín Buck and Joaquín Casanovas, comprising twenty-four claims of sixty thousand square meters each, situate at Paracale, province of Ambos Camarines; concession of the coal mine denominated "Magallanes," of March thirteenth, eighteen hundred and eighty-eight, in favor of the association "Nuevo Langreo," comprising two claims of one hundred and fifty thousand square meters each, situate at Danao, province of Cebú; concession of the mine denominated "Nuevo Langreo," of March thirteenth, eighteen hundred and eighty-eight, in favor of the association "Nuevo Langreo," comprising two claims of one hundred and fifty thousand square meters each, situate at Danao, province of Cebú; concession of the mine denominated "Cebuana," of March thirteenth, eighteen hundred and eighty-eight, in favor of the association "Nuevo Langreo," comprising two claims of one hundred and fifty thousand square meters each, situate at Danao, province of Cebú; concession of the mine denominated "La Mesiza," of March thirteenth, eighteen hundred and eighty-eight, in favor of the association "Nuevo Langreo," comprising a claim of one hundred and fifty thousand square meters, situate at Danao, province of Cebú; concession of the mine denominated "Angeles," of May sixteenth, eighteen hundred and ninety-one, in favor of Ramón Montañés, comprising twelve claims of one hundred and fifty thousand square meters each, situate at Danao, province of Cebú; concession of the mine denominated "San Julián," of May sixteenth, eighteen hundred and ninety-one, in favor of the association "Nuevo Langreo," comprising eight claims of one hundred and fifty thousand square meters each, situate at Danao, province of Cebú; concession of the mine denominated "San Enrique," of July fifth, eighteen hundred and ninety-four, in favor of Ramón Montañés, comprising four claims of one hundred and fifty thousand square meters each, situate at Danao, province of Cebú; concession of the mine denominated "Rafael Reyes," of October eleventh, eighteen hundred and ninety-five, in favor of Ramón Montañés, comprising two claims of one hundred and fifty thousand square meters each, situate at Danao, province of Cebú; concession of the mine denominated "Carlota," of June sixth, eighteen hundred and ninety-six, in favor of the association "Nuevo Langreo," comprising a claim of one hundred and fifty thousand square meters, situate at Danao, Province of Cebú; concession of the mine denominated

inated "Angeles," of March twenty-third, eighteen hundred and ninety-eight, in favor of Ramón Montañés, comprising eight claims of one hundred and fifty thousand square meters each, situate at Danao, Province of Cebu; concession of the mine denominated "Sodupe," of December sixth, eighteen hundred and ninety-five, in favor of Jacinto Gil Gorroño, comprising two claims of one hundred and fifty thousand square meters each, situate at Bacon, province of Sorsogon; concession of the mine denominated "Bilbao," of December sixth, eighteen hundred and ninety-five, in favor of Jacinto Gil Gorroño, comprising four claims of one hundred and fifty thousand square meters each, situate at Bacon, province of Sorsogon; concession of the mine denominated "Lucas y Josefa," of December sixth, eighteen hundred and ninety-five, in favor of Jacinto Gil Gorroño, comprising a claim of one hundred and fifty thousand square meters, situate at Bacon, Province of Sorsogon; concession of the mine denominated "Presentación," of December sixth, eighteen hundred and ninety-five, in favor of Jacinto Gil Gorroño, comprising two claims of one hundred and fifty thousand square meters each, situate at Bacon, province of Sorsogon; concession of the mine denominated "María y Leopolda," of March ninth, eighteen hundred and ninety-seven, in favor of José Cortés y Dominguez, comprising two claims of sixty thousand square meters each, situate at Placer, Province of Surigao; concession of the mine denominated "Mundaca," of March ninth, eighteen hundred and ninety-seven, in favor of José Cortés y Dominguez, comprising two claims of sixty thousand square meters each, situate at Placer, Province of Surigao; concession of the mine denominated "Andrés y Agustina," of March ninth, eighteen hundred and ninety-seven, in favor of José Cortés y Dominguez, comprising a claim of sixty thousand square meters, situate at Placer, Province of Surigao; concession of the mine denominated "Vizcaya," of March ninth, eighteen hundred and ninety-seven, in favor of José Cortés y Dominguez, comprising two claims of sixty thousand square meters each, situate at Placer, province of Surigao; concession of the mine denominated "Castilla," of March ninth, eighteen hundred and ninety-seven, in favor of José Cortés y Dominguez, comprising two claims of sixty thousand square meters each, situate at Placer, Province of Surigao.

Sec. 2. From the date of the passage of this act, the aforesaid mining concessions enumerated in section one of this act shall be held, possessed, and enjoyed by the grantees, their successors and assigns, subject only to the terms and conditions expressly prescribed therefor by the provisions of the aforesaid royal decree of May fourteenth, eighteen hundred and sixty-seven, which have not expired or become unreasonable or impossible to comply with: *Provided, however,* That in view of the modifications brought about by the change of sovereignty, the said terms and conditions shall hereafter be valid and binding for the grantees of the aforesaid mining concessions, their successors and assigns, to the extent and under the terms herein-after set forth, to wit:

1. That the mine shall be worked in accordance with mining rules, and the grantees and their laborers shall submit to the police regulations established by the regulations in force or as may be established by the government of the Philippine Islands or that of its political subdivisions from time to time.

2. That the grantee shall be liable for all damages resulting to others from his mining work.

3. That the grantee shall likewise make good any damage to his neighbors resulting from the accumulation of water caused by his operations whenever he fails to draw off such water within the time that he shall be formally requested to do so.

4. That he shall contribute to the work of draining the mines contiguous to his own and to the construction of draining levels or passage galleries, in proportion to the benefits received, whenever, by authority of the governor-general, such works are undertaken for a group of claims or for the entire mining region where the mine is situate.

5. That the development of each mine or group of mines and the active work connected therewith shall be guaranteed by such annual output from the same, or by such an annual expenditure for improvements thereon, as the governor-general may determine, upon the registration of said mine or group of mines, having regard to the nature and condition of the same and to other circumstances connected therewith.

6. That the grantee shall reinforce the walls of the mine within such time as may be set, whenever they are in danger of being ruined on account of structural defects, provided he is not prevented from so doing by circumstances beyond his control.

7. That the grantee shall not make a subsequent working of the mine difficult or impossible by covetous exploitation.

8. That the grantee shall not suspend the working of the mine with intent to abandon it without previously communicating his intention to the governor-general, and in such case he shall leave the mine in a good condition as regards reénforcement.

9. That he shall pay on the mine and on its output the taxes established by the royal decree of May fourteenth, eighteen hundred and sixty-seven.

10. That the grantee shall fulfill all other provisions contained in said royal decree of May fourteenth, eighteen hundred and sixty-seven, and regulations thereunder, except in so far as the provisions thereof have become unreasonable or impossible of performance by reason of existing legislation.

SEC. 3. Any person or persons claiming to be the owner of any of the mining concessions ratified and confirmed by this act, or of any interest therein, shall, within two years' time from the passage of this act, apply to the court of land registration for the registration of the title thereto, and said court shall have exclusive jurisdiction to hear and decide said applications, in the same manner as in the case of applications for the registration of title to real estate.

SEC. 4. If the court of land registration, after the examination, shall find that the applicant has a title as set forth in his application, it shall issue an order of confirmation and registration, which shall have the same force, effect and consequences, and shall be registered and made of record in the same manner as in the case of rights of confirmation and registration of title to real estate.

SEC. 5. While an application for the registration of title to the mining concessions mentioned in this act is pending examination and decision, and prior to the issuance of the order relative to the same, the governor-general shall certify to the court of land registration the manner and terms in which the future development and working of the mining property covered by the application is to be guaranteed, and the said terms shall be included in the right and form a part thereof: *Provided, however,* That the said guarantee shall, in all cases, consist, either of an obligation to produce annually a given minimum output of the mine, or in an obligation to invest annually a given sum of money in the development and improvement of the mine.

SEC. 6. The procedure, examination, and decision of all the applications for the registration of titles to the mining concessions mentioned in this act shall be governed by the regulations established by the court of land registration under Act Numbered Four hundred and ninety-six of the Philippine Commission and its amendments, except where it is impossible to apply the said acts to such applications.

SEC. 7. This act shall take effect on its passage.

Enacted, May 20, 1909.

## H.

WAR DEPARTMENT,  
BUREAU OF INSULAR AFFAIRS,  
*Washington, May 18, 1909.*

MY DEAR GOVERNOR: In connection with the printing of the annual reports of the Philippine Commission, which have in the past been published in the annual reports of the Secretary of War, the bureau has been considering the advisability of having these reports arranged in the future so as to make it possible to publish in one volume the reports of the commission, the governor-general, of the four executive departments, of the auditor, of the treasurer, and of the bureau of civil service, with such other bureau reports, as appendixes to their respective department reports, as might be of special interest in any year. There will, of course, always be included as an appendix to the report the laws enacted by the Philippine legislature during the year covered thereby. The voluminous annual reports of the Philippine government may have been in the past, and certainly were for several years after we entered the Philippine Islands, demanded by the public interest in what we were doing in those islands. The reports of the bureaus are now largely in the nature of repetition from year to year, the form of the government is fairly well crystallized, and it is thought that in the interest of economy, as well as in meeting the public demand, a one-volume report would be ample.

In order to bring about this result, the reports of the various bureaus of the Philippine government, with the exception of those mentioned above, will no longer be printed in the annual report of the Philippine Commission, and this report will, as heretofore stated, include only the report of the Philippine Commission, the report of the governor-general, the reports of the heads of the four executive departments, of the treasurer,

of the auditor, and the report of the bureau of civil service; and the laws enacted by the legislature of the Philippine Islands during the year covered by the report will be printed as an appendix thereto, to meet the provision of law which requires that this legislation be reported to Congress.

To make this arrangement effective without omitting from the report anything which is now of interest, the various heads of departments who make reports which are to be printed in annual report of the Secretary of War should include such references to the reports of the various bureaus of their departments as might be of sufficient interest to warrant general publication and distribution, and as may be necessary to a full understanding of the administration of the islands.

The publication of the commission's report in this form is in the interest of economy, and to make possible an earlier distribution of the report than formerly. It is also felt that the report has been too voluminous in recent years to be generally read, even by persons deeply interested in the conduct of affairs in the islands.

It would also greatly facilitate matters in this connection to have the reports come here so that they may be printed before the beginning of the regular annual sessions of Congress, and they should be sent as soon as possible after the end of the fiscal year, in order that this may be done.

It is desired, of course, that the reports of all the various bureaus be sent here as formerly, but only those will be published which are of especial interest in any year.

Very sincerely,

C. R. EDWARDS.

Hon. W. CAMERON FORBES,  
*Acting Governor-General of the Philippines,*  
Manila, P. I.

OFFICE OF THE GOVERNOR-GENERAL OF THE PHILIPPINE ISLANDS,  
*Cotabato, P. I., July 11, 1909.*

MY DEAR GENERAL: I have read your letter of May 18 and heartily approve the lessening of the amount of matter in the annual report of the Philippine Commission. We have been encouraged and allowed to become as verbose as possible, and I can see no conceivable good in it. The criticism of my own annual report last year, made during my absence, was that it was vastly too voluminous, and I shall do my part in reducing the extent of the report to the fewest possible words. I propose to take a great deal of time and thought in the process. I have already directed the bureau chiefs to reduce their reports, and it is possible that I can so abridge the total amount of material covered so that you will find space for the reports of all the bureaus in one volume without the necessity of completely leaving them out of the printed matter; in other words, I believe that I can reduce the amount of the report so that all may be printed without unnecessary repetition or containing matter that will not be interesting.

I agree with you that the size of the annual reports of the commission have been their own undoing. I believe that no living man has ever read through all of the reports, and if he had his time would have been spent most unprofitably to himself or to any one else.

Sincerely, yours,

W. CAMERON FORBES,  
*Acting Governor-General.*

Brig. Gen. CLARENCE R. EDWARDS,  
*Chief of the Bureau of Insular Affairs,*  
War Department, Washington.







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